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LOK SABHA DEBATES

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LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA

Wednesday, 19th February, 1958

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Shifting of Offices from Delhi

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*280
Shri Radha Raman:
Shri Gajendra Prasad Sinha:
Shri Rameshwar Tantia:
Shri Naval Prabhakar:
Shri Harish Chandra Mathur:
Shri Bhakt Darshan:
Shri S. C. Samanta:
Shri D. C. Sharma:
Shri V. C. Shukla:
Shri M. L. Dwivedi:
Shri Heda:
Shri Madhusudan Rao:
Shri Vajpayee:
Shri Haldar:
Shrimati Ila Palchoudhuri:

Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether a high-level Committee has been studying the question of shifting some of the Central Government Offices from Delhi;

(b) if so, whether the Committee has made any recommendations;

(c) the details of the recommendations;

(d) whether any final decision has been taken regarding the offices to be shifted from Delhi; and

(e) if so, the names of the offices to be shifted and the places to which they will be shifted?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes, Sir.

(b) to (e) It has been recommended in principle that the offices mentioned in the statement, a copy of which has been placed on the Table of the Lok Sabha, [*See* Appendix II, annexure No. 44] may be shifted out of Delhi as soon as accommodation, both office and residential, has been secured at places to which these offices could be shifted without detriment to administrative efficiency. A few other proposals are still under consideration. A final survey of accommodation available at Nagpur, Gwalior, Mussoorie, Jaipur and Ghaziabad is now in progress with a view to determining the availability of office and residential accommodation at these places. The possibility of accommodation that could be available in other places is also being examined.

Shri Radha Raman: May I know whether these recommendations were placed before the concerned officers or Ministries that those offices are required to be shifted?

Shri K. C. Reddy: These proposals were considered at a meeting where the concerned Ministers were present. After a full discussion with the Ministers concerned, these recommendations have been made.

Shrimati Ila Palchoudhuri: I find from the statement that the refugee Rehabilitation Finance Administration office is not proposed to be shifted. Considering that they will deal with East Pakistan refugees mostly, is anything being done to shift this office to Calcutta if possible?

Shri K. C. Reddy: The various proposals were taken into consideration in consultation with the Ministries concerned, as I have already said. There is no such proposal of the kind referred to by the hon. Member.

श्री भक्त दर्शन क्या मै जान सकता हू कि जो दफ्तर बदले जाने वाले है

An hon. Member: In English.

Shri Bhakt Darshan: May I know how many offices will be affected by this decision, if all these offices are shifted?

Shri K. C. Reddy: I do not quite follow the question. I have indicated in the statement I have placed on the Table the 12 offices which have been recommended to be shifted.

Shri M. L. Dwivedi: May I know if the Minister is aware of the fact that the office of the Registrar of Newspapers which is situated at present in Delhi is likely to be shifted to Simla?

Shri K. C. Reddy: I submit that it would not be desirable to go into the details and questions put with regard to the shifting of various other offices that have not been mentioned in the statement. What all I can say is that very careful consideration has been given to various proposals that have been made by the Works, Housing and Supply Ministry; they have been discussed in great detail with the other Ministries concerned and we have come to certain conclusions. As regards other offices not enumerated in the statement I have placed on the Table of the House, it is not for me to say anything definitely

Shri M. L. Dwivedi *rose—*

Mr. Speaker: Shri D. C. Sharma.

Shri M. L. Dwivedi: It is an important matter and I can legitimately ask a supplementary on the question I have given notice of.

Mr. Speaker: There are a number of hon. Members to whom I must give an opportunity also. I am really surprised; hon. Members must have a policy of their own. From time to time questions have been asked as to why they have not been shifted. But now when they are shifted, it is asked "Why are they shifted?"

Shri M. L. Dwivedi: I am not asking why they are shifted...

Mr. Speaker: Shrimati Renu Chakravartty.

Shri D. C. Sharma: You had called me, Sir

Mr. Speaker: I will call the hon. Member again.

Shrimati Renu Chakravartty: May I know whether, in the case of the offices being shifted to places where the employees will have to pay higher water and electricity charges, etc., that will be made up in the emoluments of those who have been transferred?

Shri K. C Reddy: It is a matter of detail which we have to take into consideration at the appropriate time.

Shri D. C. Sharma: From the statement I find that 12 offices are going to be shifted May I know how many offices are under consideration for being shifted? I only want the total number.

Mr. Speaker: He said it is 12

Shri K. C. Reddy: All the 12 offices I have mentioned in the statement.

Shri Harish Chandra Mathur: May I know when the hon Member proposes to give effect to the shifting of these offices?

Shri K. C. Reddy: This question of shifting offices involves a number of administrative matters. We have taken a decision; rather a recommendation has been made in principle that these offices could be shifted. We have to find the requisite office accommodation for these offices. What is more important, we have also to find the requisite residential accommodation. In some places we have office accommodation; in some places we have residential accommodation. It is in very few places that we have both office and residential accommodation to the requisite extent. We have taken this tentative decision and we are now working out detailed proposals in respect of the proposed shifting of offices. In some cases we have to lease out additional buildings or we have to construct additional buildings also in some cases. All these things will have to be done and then only we can say when we will be able to shift these offices. I might indicate that within about three to four months, it may be possible to shift these offices.

Shri Tyagi: May I know what is the total number of personnel involved in the shifting of these offices and how much area will fall vacant after all these offices have been shifted away from Delhi?

Shri K. C. Reddy: I cannot give the figures precisely. That will have to be worked out.

D.D.T. Factory, Delhi

*281. **Shri Barman:**
Shri S. C. Samanta:
Shri Subodh Hansda:

Will the Minister of **Commerce and Industry** be pleased to state the number of foreign experts still engaged in the D.D.T. Factory, Delhi?

The Minister of Industry (Shri Manubhai Shah): One.

Shri Barman: May I know whether we have got now Indian personnel competent enough to set up another D.D.T. factory and run it without any help from foreign technicians?

Shri Manubhai Shah: It is a fact that we are also setting up a factory in Alwaye and that is being run mostly by Indian personnel. But even then for the top one or two posts, it is always advantageous in the early stages to have foreign technical experts.

Shri Subodh Hansda: May I know for how long this foreign expert will remain in the D.D.T. factory and whether any special scale is given to him?

Shri Manubhai Shah: He will remain there for the minimum period that the factory management considers necessary.

Shri B. K. Gaikwad: Since when have these foreign experts been engaged in the D.D.T. factory in Delhi? Are our Indian workers sufficiently trained to run the factory without the help of the foreign experts?

Shri Manubhai Shah: That is precisely the question to which I have given the answer.

Mr. Speaker: Hon. Members will kindly follow the answers.

सूडान के साथ व्यापार

*२८२. **श्री श्रीनारायण दास** : क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सूडान के प्रतिनिधि-मंडल और भारतीय उद्योगपतियों तथा सरकार के मध्य कपास के निर्यात और आयात के सम्बन्ध में हुई बात चीत का कुछ परिणाम निकला है ;

(ख) यदि हां, तो उसका स्वरूप क्या है ;

(ग) सूडान के साथ भारत के व्यापार की वर्तमान स्थिति क्या है ; और

(घ) क्या भारत से सूडान निर्यात की जाने वाली वस्तुओं की सूची में कोई वृद्धि हुई है ?

वाणिज्य मंत्री (श्री कानूनगो) : (क) और (ख). सूडान के प्रतिनिधि मंडल से हुई बातचीत के फलस्वरूप सरकार ने सुलभ मुद्रा क्षेत्र से जिसमें सूडान भी शामिल है, १–३।१६ इंच और इससे अधिक लम्बे रेशे वाली रूई की ४०,००० गांठें आयात करने का कोटा मुक्त किया है ।

(ग) एक विवरण सभा की मेज पर रखा जाता है। **[देखिये परिशिष्ट २, अनुबन्ध संख्या ४५]**

(घ) १९५७ मे प्लास्टिक की चीजो और चीनी जैसी कुछ वस्तुओ का सूडान को निर्यात किया गया जिनका पहले निर्यात नही होता था ।

Shri Shree Narayan Das: May I know whether as a result of the negotiations, there has been any change in the terms advantageous to India in the import of cotton from Sudan?

Shri Kanungo: We have been traditional buyers of Sudanese cotton.

Shri Shree Narayan Das: I wanted to know whether there has been any change in the terms and conditions of import which are advantageous to India.

Shri Kanungo: In this case we have agreed to take 40,000 bales

Shrimati Tarkeshwari Sinha: Is it a fact that Egyptian cotton is selling at a price cheaper than Sudanese cotton, and may I know if an Egyptian delegation came to India and discussed this thing with the Government of India and, if so, what is the reason for importing such a large bulk of Sudanese cotton and not Egyptian cotton?

Shri Kanungo: Egyptian and Sudanese cotton of equal varieties are of almost equal prices; Sudan's value is lower sometimes.

Shri Tangamani: From the statement we find that out of the exports to Sudan a large quantity is finished cotton piecegoods, and that has been on the increase from 1952 onwards May I know whether these piecegoods include those manufactured in Pondicherry and also handloom from the South?

Shri Kanungo: I have not got the break-up for that.

Shri Ansar Harvani: What percentage of trade with Sudan is being carried on by the State Trading Corporation, and what percentage by the private sector?

Shri Kanungo: There is not much trade in the public sector; in fact, nothing

Shri Shree Narayan Das: May I know whether the import of cotton will be met by increased exports to Sudan?

Shri Kanungo: We traditionally import 6·5 lakh bales of cotton, out of which we go in for 3 lakh bales of Egyptian and Sudanese cotton. We have restricted this steeply now.

T. B. among Industrial Workers

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*283. { **Shri A. K. Gopalan:**
Shri S. M Banerjee:
Shri Jagdish Awasthi:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether cases of T. B. among the industrial workers are on the increase, and

(b) if so, what steps are being taken to check the growing number?

The Deputy Minister of Labour (Shri Abid Ali): (a) On the basis of the limited data that we have, it is not possible to draw any conclusion one way or the other.

(b) A statement giving some of the facilities provided for the treatment of T. B. patients among industrial workers is laid on the Table of the Lok Sabha [*See* Appendix II, annexure No 46].

Shri A. K. Gopalan: From the statement it is seen that there is an increase of T. B. among industrial workers May I know if this is due to bad working conditions or some other reasons?

The Minister of Labour and Employment and Planning (Shri Nanda): I wonder how it is possible to draw such a conclusion that the incidence is on the increase because the data is so limited. It refers to so few places, it does not cover a long enough period. Therefore, the answer was that we were not in a position to say exactly how the rate has varied.

Shri Muhammed Elias: May I know how many patients have been treated up till now under the Employees' State Insurance scheme since the scheme came into existence, and how many are on the waiting list for hospitalisation?

Shri Abid Ali: If the hon. Member gives separate notice, the information will be collected and supplied.

Shri V. P. Nayar: May I know whether the Ministry has any scheme for mass radiography or tuberculosis test of industrial workers in cities where the population has more of industrial workers?

Shri Abid Ali: The arrangement provided at present has been mentioned in the statement.

Shri B. S. Murthy: May I know whether each industry is being separately taken up for investigation of the incidence of T. B.

Shri Abid Ali: Information is collected on the basis of the T. B. patients attending the hospitals which are managed by us.

Shri Achar: Is it a fact that not only with regard to the industrial workers but with regard to others also T.B. is on the increase?

Mr. Speaker: The question is only with regard to industrial workers.

Shrimati Renu Chakravartty: What is the number of T. B. beds which have been either reserved or increased in the local hospitals by the Employees' State Insurance in India?

Shri Abid Ali: That is mentioned in the statement.

Shri Tangamani: In regard to the Employees' State Insurance scheme, the statement only says that persons who are in regular employment for three years are given this benefit. No further particulars are given as to the number of beds etc.

Shri Abid Ali: If further information is wanted, I am prepared to give if notice is given.

Mr. Speaker: A separate question may be put.

Foundry Forge Project

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*284. {
Shrimati Ila Palchoudhuri:
Shrimati Tarkeshwari Sinha:
Shri Heda:
Shri Raghunath Singh:
Dr. Ram Subhag Singh:
Shri Jaganatha Rao:

Will the Minister of **Commerce and Industry** be pleased to refer to the reply given to Starred Question No. 575 on the 27th November, 1957 and state:

(a) whether the negotiations for the establishment of a Foundry Forge Project have since been completed;

(b) if so, the name of the firm which will collaborate in this project and the terms and conditions offered to it;

(c) the location of the project;

(d) when the first stage of the project will be completed and the time by which it will go into production; and

(e) the estimated expenditure on this project?

The Minister of Industry (Shri Manubhai Shah): (a) to (e). An understanding has been reached between the Government of India and Czechoslovakia about the terms of payment for the plant and machinery required to be imported for the foundry forge project, by which there will be no remittance in foreign exchange before April 1961. Discussions about the technical and financial details have started with representatives of M/s. Technoexport of Czechoslovakia.

As the plant is intended to supply castings and forgings of the Central Heavy Machine Building Plant (for which Ranchi has been under active consideration) it has to be set up in close proximity to it.

Shrimati Ila Palchoudhri: When will the foreign exchange component out of the estimated cost of Rs. 30 crores of this project have to be paid back, and how long will it take us to pay it back? Will the Czechoslovak firm bear the whole cost?

Shri Manubhai Shah: The cost is to be borne only on a credit system, the first instalment thereof will be paid in April, 1961.

Shrimati Tarkeshwari Sinha: Apart from Czechoslovakia, may I know whether any offer has come from West Germany and Russia, and if so, whether their offer is going to be considered or not?

Shri Manubhai Shah: It was as a result of considering all the offers—British, German, Russia and the Czechoslovak offer—the Czech offer was found to be the best and the lowest.

Shri Jaipal Singh: The hon. Minister just now stated that the site will be somewhere in Ranchi. May I know if it would be contiguous to the heavy machinery plant?

Shri Manubhai Shah: Yes.

Shrimati Tarkeshwari Sinha: May I know how much percentage of this will be on a deferred payment basis, and how much we shall have to pay straightaway?

Shri Manubhai Shah: Excepting items for Rs. 80 lakhs, the rest will be from Czechoslovakia on a deferred payment basis.

Shri Heda: May I know the total investment envisaged for the project and the production target for the next two years?

Shri Manubhai Shah: As far as the financial side is concerned, as I have indicated in my main answer, discussions about the technical and financial details are being already held with the representatives of the Czech firm, and it will be too early to say what will be the exact nature of the financial outlay, but broadly speaking, the Indian component and the foreign component of the project together are likely to cost Rs. 30 crores.

Regarding the capacity, it is ultimately going to cater for 30,000 tons of grey castings, 28,000 of steel castings and 27,300 of steel forgings.

Shri P. R. Ramakrishnan: May I know the extent to which this will meet the requirements of the country and whether there is any possibility of putting up another small forge plant besides this?

Shri Manubhai Shah: For the present, this is for catering to the Central Heavy Machine Building Plant which is meant for heavy machinery. Apart from that, it will also cater to the other requirements of the country, though it may not make it fully self-sufficient in all respects.

Shri Ramanathan Chettiar: Have Government under contemplation the putting up of another foundry forge plant in South India?

Shri Manubhai Shah: No, Sir.

Coal Gas Plant in Delhi

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*285. { **Dr. Ram Subhag Singh:**
Shri Bhakt Darshan:
Shri S. C. Samanta:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government propose to set up a Coal Gas Production Plant in Delhi to meet the fuel requirements of the city;

(b) if so, whether the scheme for the same has been prepared; and

(c) when is the plant likely to be set up?

The Minister of Industry (Shri Manubhai Shah): (a) No, Sir.

(b) and (c). Do not arise.

श्री भक्त दर्शन : क्या यह सत्य है कि कुछ दिनों पहले दिल्ली राज्य के औद्योगिक सलाहकार बोर्ड ने इस बात की सिफारिश की थी कि दिल्ली में जो फ्यूअल की कमी है, उसे दूर करने के लिये इस तरह का प्लान्ट स्थापित किया जाय ? उसे क्यों रिजेक्ट किया गया ?

श्री मनुभाई शाह : कई दफे इस बात को सोचा गया और देखा गया । पहले जो स्कीम आई थी वह बिल्कुल अनएकानमिक थी । दूसरी बार जो स्कीम आई वह दिल्ली शहर के लिये भी काफी नहीं थी । इस लिये कमेटी ने आखीर में जो राय दी वह यह थी कि ऐसी स्कीम बनाई जाय जो सारी दिल्ली को सर्व कर सके और प्राफिटेबल हो । ऐसी स्कीम बनेगी तो गवर्नमेंट उसे देखेगी ।

श्री भक्त दर्शन : क्या ऐसी स्कीम बनाने के प्रश्न पर अभी भी विचार किया जा रहा है और कोई कदम उठाया जा रहा है ?

श्री मनुभाई शाह : दिल्ली एडमिनिस्ट्रेशन और सेंट्रल गवर्नमेंट उस पर विचार कर रही है ।

अफ्रीकी-एशियाई सम्मेलन

*२८८. **श्री भक्त दर्शन :**
श्री स० चं० सामन्त :
श्री गजेन्द्र प्रसाद सिन्हा :
श्री स० म० बनर्जी :
श्री मोहन स्वरूप :
श्री त्रि० कु० चौधरी :
श्री रघुनाथ सिंह :
श्री वोडयार :
श्री वाजपेयी :
श्री कुन्हन :
श्री मोहम्मद इलियास :

क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या दिस्मबर, १९५७ के अन्तिम सप्ताह में काहिरा में हुए अफ्रीकी-एशियाई एकता सम्मेलन में भारत के प्रतिनिधियों ने भी भाग लिया था ;

(ख) यदि हां, तो क्या भारतीय प्रतिनिधियों के नामों की सूची सभा पटल पर रखी जायेगी ; और

(ग) सम्मेलन में भाग लेने के लिये इन व्यक्तियों को क्या-क्या सुविधायें तथा सहायता दी गई थीं ?

वैदेशिक-कार्य मंत्री के सभा-सचिव (श्री सादत अली खाँ) : (क) और (ख). सम्मेलन का गैर-सरकारी स्वरूप होने के कारण, भारत सरकार का प्रतिनिधित्व इसमें नहीं हुआ । ऐसा समझा जाता है कि श्रीमती रामेश्वरी नेहरू के नेतृत्व में लगभग २५ सदस्यों के एक ग़ैर-सरकारी शिष्टमंडल ने सम्मेलन में भाग लिया । भारत सरकार के पास प्रतिनिधियों के नामों की पूरी सूचि नहीं है ।

(ग) भारत सरकार से किसी भी समय कोई विशेष सहायता या सुविधाएं नहीं मांगी गई और न कोई दी गई ।

Some hon. Members: In English also.

Shri Sadath Ali Khan: (a) and (b). The conference being an un-official one the Government of India was not represented at it. It is understood that an un-official delegation from India, consisting of about 25 members, headed by Mrs. Rameshwari Nehru participated in the conference. The Government of India have not a complete list of the names of the delegates.

(c) The Government of India were at no stage approached for any special assistance or facilities and none were given.

श्री भक्त दर्शन : चूंकि यह सम्मेलन अफ्रीका और एशिया की एकता के लिये बड़ा महत्वपूर्ण था, बल्कि इसी कारण इसको

गैर सरकारी बाडुंग सम्मेलन का नाम दिया गया था, इस लिये मैं जानना चाहता हूं कि इसमें उचित कार के प्रतिनिधि जा सक इसलिये क्या सरकार ने हाथ बंटाने के लिये कोई कदम उठाया ?

Mr. Speaker: The name of Bandung was brought there.

प्रधान मंत्री और वैदेशिक-कार्य तथा वित्त मंत्री (श्री जवाहरलाल नेहरू) : जी नहीं इस लिये कि इसका सरकार से कोई ताल्लुक नहीं था। कोई दस बीस आदमी अगर कोई कानफ्रेंस करें, भले काम के लिये करें, मुबारक हो उनको, लेकिन उसमें गवर्नमेंट तो नहीं दौड़ जाती और वहां जाकर बैठ जाती।

Shri Hem Barua: Are Government aware of the fact that the conference held at Cairo at unofficial level, as the Parliamentary Secretary has said, displayed a large measure of widening of the gaps between the Governments of the Pact countries and the delegates of the conference, and if so, are Government aware of the attitude adopted by our delegates there?

Shri Jawaharlal Nehru: We have seen some reports about their attitude Naturally, we have received some reports about it, if that is what the hon. Member wants to know.

Shri Hem Barua: What was the attitude of our delegates there?

Shri Thirumala Rao: The Parliamentary Secretary was pleased to say that no special assistance was given to this delegation Was any general assistance given by Government by way of providing travel facilities and foreign exchange to these delegates?

Shri Jawaharlal Nehru: So far as I am aware, the facilities of visas, passports etc. were given. Always, whenever any of our citizens go there, especially Members of Parliament or others, we inform our Mission abroad that they are going there, and they should help them, regardless of what purpose they go for

So far as foreign exchange was concerned, to the best of my recollection, no demand was made from us about foreign exchange.

Shri Ramanathan Chettiar: May I know whether this conference had anything to do with the Afro-Asian group that was formed two years ago in the United Nations?

Shri Jawaharlal Nehru: No.

Shri Radha Raman: May I know whether in this non-official Afro-Asian conference, any Government officially participated?

Mr. Speaker: Any other Government.

Shri Jawaharlal Nehru: I could not give a precise answer whether a Government participated. But I believe some Ministers from other countries participated, that is, some members of Government did. As to whether a Government officially participated or not, I do not know.

Shri Hem Barua: Is it a fact that Col Nasser addressed this conference?

Shri C D. Pande: In view of the fact that most of the so-called representatives belonged to a particular school of thought, is it not proper that Government should dissociate themselves from the views expressed by those people?

Shri Jawaharlal Nehru: If I may answer the first question, so far as I know, President Nasser did not inaugurate the conference, but he gave a garden party to the delegates of the Conference.

If I may now answer the question asked by the other hon. Member, the question of association or dissociation does not arise. Many of the things that the conference said were in line with what we say and do; some of the things they said may not be in line. There is no question of dissociation that arises.

Shri Muhammed Elias: May I know whether Government have received copies of the resolution passed by the Afro-Asian conference, and if so, what their opinion on the resolution is?

Shri Jawaharlal Nehru: About the resolutions? I think we have received them. I do not know whether they are a full record, but we have received the main resolutions. I cannot give an answer about a large bundle of resolutions in this way. But I have just said that as a matter of fact, in many matters, they are in line with our thinking; in some matters, they are not.

Raja Mahendra Pratap: What is the impression of the Prime Minister on whether the small States of Europe like this idea of having an association of Asian and African States? Perhaps, they may be against it.

Mr. Speaker: The hon. Member may ask for facts.

Raja Mahendra Pratap: What does the Prime Minister think on whether the small States of Europe would like this meeting of the Asian and African peoples? They may be against it. But my idea of world federation brings them all together.

Mr. Speaker: In either case, what anybody thinks is not a subject-matter for questions here.

Cement Distribution

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*289.
Shri Ram Krishan:
Shri Radha Raman:
Shri Rameshwar Tantia:
Shri Raghunath Singh:
Shri Heda:
Shri D. C. Sharma:
Shri Bishwanath Roy:
Dr. Ram Subhag Singh:
Shri Damani:
Shri Shoba Ram:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that Government have prepared a new scheme for the distribution of cement; and

(b) if so, the main features thereof?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). In view of the comparatively easier supply position of cement as a result of increase in indigenous production, the State Governments have been advised to increase the public quota to the extent possible and abolish the permit system for sale of cement by stockists to consumers.

Shri Ram Krishan: May I know the total revised quota under the new scheme State-wise?

Shri Manubhai Shah: If I give it State-wise, it will be too long a list. It is now 8,66,000 tons for a quarterly period.

Pandit D. N. Tiwary: May I know whether the instructions by the Central Government to do away with the permit system have been followed by all the States, and if not, the reason therefor?

Shri Manubhai Shah: As the hon. Member knows, the control of civil supplies is a State subject, and our advice is generally being looked into by the various State Governments. So many of the State Governments have already taken action, though it may not be complete abolition of the permit system.

Shri Bishwanath Roy: May I know whether any special arrangements for supply of cement to public institutions is under consideration, since there is great difficulty in getting it owing to some unusual practices followed by others?

Shri Manubhai Shah: There is no special system followed for public institutions, but I may say that with the easy supply position of cement, it should be much easier for them to get their cement requirements.

Shri Damani: May I know whether the manufacturers are permitted to distribute or sell direct to the consumers?

Shri Manubhai Shah: No.

Shri Rameshwar Tantia: May I know whether Government have got any scheme to check blackmarketing in cement so that the consumers could get cement at fair prices?

Shri Manubhai Shah: The question contains so many suppositions.

Shri Ranga: There is no question of supposition. What steps are Government taking to control blackmarketing in the distribution of cement?

Shri Manubhai Shah: With the easing of the supply position, it can be said that it will not be difficult for the civil population to get cement.

Shri Heda: May I know the factors that were taken into account at the time of fixation of the quota for the different States, whether it was on the basis of projects, or areas or constructional activities of Government, and whether any guidance in the shape of preference being given to co-operative societies or public institutions was given to the States?

Shri Manubhai Shah: As I have often repeated in the House, there are clearly laid-out priorities. National projects, the various public sector projects, railway constructions and the development projects of the State Governments take the first priority. Then, a considerable amount is released to the States for civil supply and for the public institutions. It is always recommended by the Central Government that as the position becomes easier, they should release more and more quotas to the public requirements of institutions and consumers.

Religious Shrines in Pakistan

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*290. **Shri D. C. Sharma:**
Shri Vajpayee:
Shri Ajit Singh Sarhadi:
Shri Raghunath Singh:

Will the **Prime Minister** be pleased to state:

(a) whether any meeting of the Joint Committee set up for the preparation of lists of Hindu and Sikh religious shrines in West Pakistan and the protection of the properties attached thereto and preservation of their religious sanctity has been convened; and

(b) if so, the decisions taken thereon?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) Yes, Sir. A meeting was held at Karachi on the 24th and 25th January, 1958.

(b) The following tentative decisions were taken:

(i) The number of important shrines, the preservation and maintenance of which should be made the special responsibility of the Government should be limited to 200 in each country. The number is subject to revision at the time of finalisation of the lists of shrines.

(ii) Each country will be responsible for the preparation of the final list of shrines in the other country, which would be placed under the special care of the Government of that country. Each country would, however, furnish the other country with a list of important shrines in its own territory for purposes of check and comparison.

Shri D. C. Sharma: May I know the officials who took part in this discussion in this Joint Committee? Was this meeting at the Secretariat level or Ministerial level or some other level?

The Prime Minister and the Minister of External Affairs and Finance (Shri Jawaharlal Nehru): I am afraid I have not got that information; I shall gladly supply to the hon. Member after finding it out.

Shri D. C. Sharma: May I know if the decision with regard to the 200 places of religious worship that is going to be taken will include also the protection of the properties and the preservation of the religious sanctity also? If so, what are the lines of approach to these two problems?

Mr. Speaker: The maintenance of the religious atmosphere, is it?

Shri D. C. Sharma: There are three points. First of all, there is protection. Then, there is protection of the properties of the shrines; and then there is the preservation of the religious sanctity. What steps are going to be taken?

Shri Jawaharlal Nehru: Perhaps, my colleague, the Rehabilitation Minister, might be able to throw some light on this.

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): This question did come up for discussion during my last visit to Karachi. The discussion was, more or less, of an informal nature.

As far as we are concerned, you know we have released all the trust properties because the members of the minorities are still here. But, as regards Pakistan, the main difficulty is about Punjab, Bhawalpur etc, where practically all the Hindus and Sikhs have come away. But, as regards Sind, the viewpoint of my corresponding number in Pakistan was that this was a matter between the minorities there and the Government and they were looking into the question of release of some of these properties for the use of the minorities there.

Shri Raghunath Singh: According to the agreement, some selected areas were to be inspected in regard to shrines. What is the position now?

Shri Mehr Chand Khanna: Presumably it is not going to be a question of selected areas. But, some important shrines on both sides are going to be selected; the number may be between 100 and 200.

Sardar Hukam Singh: What was the attitude of the Pakistan Government about the proposal that the large amount of money collected by the Custodian-General there out of the incomes of those shrines should at least meet the expenses of those volunteers who are placed for the protection and maintenance of certain shrines there?

Shri Mehr Chand Khanna: The position is that like us, they have also not declared these properties as evacuee properties. The viewpoint of the Government of Pakistan was rather definite that this was a matter entirely between the Government of Pakistan and the minorities there.

Sardar Hukam Singh: But, is this a fact that the whole income from these shrines is being collected by the Custodian-General in Pakistan? Has it been put to the Pakistan representative that that amount should at least be spent for the maintenance of those volunteers who are kept there in certain shrines; and they have allowed money sent from India to meet the expenses of the volunteers?

Shri Mehr Chand Khanna: I will pass on this information to the Ministry of Home Affairs. I am only dealing with evacuee properties.

Shri Ajit Singh Sarhadi: May I just know whether any particular steps have been taken for the preservation of the sanctity of those places of worship, Hindu or Sikh, by the worship at those shrines which are in Punjab, Bhawalpur and the Frontier Province?

Shri Mehr Chand Khanna: The whole question was not formally discussed. It was discussed only informally. Some particular things were discussed but not in detail.

Shri Raghunath Singh: It appears that a meeting is going to be held soon. May I know the agenda for that meeting?

Shri Mehr Chand Khanna: There are quite a number of items which are going to be discussed in the next meeting of the Implementation Committee. But, as far as the question of shrines is concerned, I do not think it has been included. But a meeting did take place between us and the Government of Pakistan regarding the shrines. And, as I have stated, the idea now is that instead of looking after all the shrines in India and Pakistan, some important and historic shrines should be taken into consideration and their sanctity protected.

Shri Ajit Singh Sarhadi: What are the items about the agreement made for the preservation of the sanctity of the religious places? There can be preservation only if worship is allowed there. I ask the question whether there was any talk about the preservation by allowing worship in the shrines that are left there.

Shri Mehr Chand Khanna: I have just answered this question that the number of shrines left by Hindus and Sikhs is very large and the idea was that instead of looking after all the shrines, and it may not be administratively convenient in places where there is no Hindu or Sikh population left, some 200 important shrines on both sides may be selected.

Shri Jawaharlal Nehru: I am grateful to my colleague for having come to my rescue in this matter. The matter is, as the House knows, dealt with by a number of Ministries. My colleague's Ministry is responsible for rehabilitation; for evacuee property the Home Ministry is responsible and the External Affairs Ministry is responsible for dealing with Pakistan generally. Anyhow, the tentative agenda for the next meeting which is going to be held on the 24th and 25th of March is as follows:

(i) pooling of all income of the shrines in each country in a separate account and utilisation of funds in the account for the purpose of maintenance and repairs of the holy places;

(ii) the posting of khadims, sevadars and pujaris to look after the important shrines in the two countries and payment of their expenses from the income of the shrines; and

(iii) the liberalisation of travel and other facilities to pilgrims and pilgrim parties to the holy places in the two countries.

I think that answers a number of questions that may be asked.

Replantation of Tea

***291. Dr. K. B. Menon:** Will the Minister of Commerce and Industry be pleased to state:

(a) the amount of money spent annually on replantation of tea since 1947;

(b) the area covered by replantation during this period; and

(c) the total area which requires replantation at present?

The Minister of Commerce (Shri Kanungo): (a) The information is not available.

(b) A statement is laid on the Table of the Lok Sabha, [*See* Appendix II, annexure No. 47].

(c) In a tea garden all bushes would not be of the same age. While certain bushes may have to be replaced, the whole garden as such may not need replanting. It is not possible to give any precise indication of the area to be replanted.

Dr. K. B. Menon: About the recommendation of the Plantation Enquiry Committee, the Minister, speaking on a resolution, said that he proposed to set up a Directorate of Production. May I know whether he has taken any steps in this direction?

Shri Kanungo: We are trying to recruit a Director of Production.

Dr. K. B. Menon: May I know whether the attention of the Minister has been drawn to the debate in the Kerala State Assembly about the alleged fragmentation and piecemeal sale of foreign-owned plantations and has he any information on the subject?

Shri Kanungo: I have no information about the debate in the Kerala Assembly but I will look into it. There is no report of serious fragmentation in Kerala or anywhere else.

Shri Tangamani: In the statement we find that replanting to the extent of 38,867 acres had been carried out during the last ten years. Report has been received from the planters in North East India also May I take it that no replanting has been effected in the southern area covered by the UPASI Planters Association of India?

Shri Kanungo: As the hon Member knows, replanting as such is a technical term It means a particular type of replanting. There are three methods of replanting As far as the South India is concerned, we have not yet received any up-to-date information.

Shri Rameshwar Tantia: On account of the uneconomic conditions in the ordinary tea gardens in India in places such as Cachar, Duar and Terai, are the replantations in such areas on a very small scale?

Shri Kanungo: Some well-managed gardens look after replanting and infilling constantly; others do not.

Shri Punnoose: Has it come to the notice of the Government that there is an allegation that the European planters especially are neglecting the work of replantation? May I know whether the Government has got any figure as to the yearly replantation or replantation in order to keep up the level of production?

The Minister of Commerce and Industry (Shri Morarji Desai): This question is not as important as it is made out. The yield has been increasing constantly. It has gone up from 530 million lbs to 670 million lbs. Therefore, there is no ground to say that replantation is not done properly or that the rate of replantation has deteriorated the crop.

Shri Hem Barua: May I know if the Government are aware of the fact that large scale export of the clone variety of tea seeds, yielding 40 to 60 maunds of tea per acre, to South Africa is going to adversely affect the plantation prospects in the country?

Shri Morarji Desai: We are not allowing any export of these seeds.

Indo-Japanese Trade Agreement

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*293. **Shri Raghunath Singh:**
Shri Jaganatha Rao:
Shri S. C. Samanta:
Pandit D. N. Tiwary:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether any trade agreement has been entered into between the Government of India and the Government of Japan; and

(b) if so, the terms and conditions of the agreement?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) A Trade Agreement between India and Japan was signed in Tokyo on the 4th February, 1958, and will come into force after ratification by the two Governments.

(b) The Agreement provides for the grant by the two countries of the most-favoured nation treatment to each other in the matter of customs duties on goods, regulations concerning imports and exports, operation of State Trading Enterprises, rights of residence and property and shipping facilities

श्री रघुनाथ सिंह आपने यह कहा है कि शिपिंग फैसिलिटीज जो हैं वे बराबर बराबर होने जा रही हैं । मैं जानना चाहता हूं कि कौन सी फैसिलिटीज हैं जो बराबर बराबर होने जा रही हैं ?

श्री सतीश चन्द्र : एग्रीमेंट में इसका कोई विवरण नही हैं । उसमें इतना ही दिया हुआ है कि एक दूसरे को जो सहूलियत दी जायेगी, वे बराबर की होंगी । जो

सहूलियत वे हमें देंगे वही सहूलियत हम उन्हें देंगे ।

श्री रघुनाथ सिंह : मेरे पूछने का अर्थ यह है कि जहां तक फारेन शिपिंग का सम्बन्ध है वह ५०:५० की रेशो मे होता है । जापान और भारत के बीच भी क्या यह रेशो ५०:५० की होगी या कुछ कम होगी ?

श्री सतीश चन्द्र : यह तो हिन्दुस्तान के पास जितने जहाज हैं, उस पर निर्भर होगा । लेकिन यह सवाल ट्रांस्पोर्ट मिनिस्ट्री से पूछना चाहिये ।

श्री रघुनाथ सिंह : मैं कारगो की बात कर रहा हूं । उसमे ५० : ५० की रेशो क्या होगी ?

श्री सतीश चन्द्र : अगर हमारे पास जहाज हैं तो उतनी हो सकती है । वह बराबर होगी बशर्ते हमारे पास उतनी शिपिंग स्पेस हो ।

पंडित द्वा० ना० तिवारी : मै जानना चाहता हू कि ऐसा एग्रीमेंट क्या किसी और देश के साथ भी हुआ है या पहले पहल जापान के साथ ही हुआ है ? अगर और देशो के साथ भी हुआ है तो वे कौन कौन से देश है ?

श्री सतीश चन्द्र बहुत से देशो के साथ एग्रीमेंट हुए है और उनकी कापीज पार्लियामेंट लाइब्रेरी मे रखी हुई हैं । इसका पैटर्न भी करीब करीब वही है जो और देशो के साथ हुए एग्रीमेंट का है ।

Shrimati Tarkeshwari Sinha: The hon. Minister told us that we were giving Japan the most favoured nation treatment. This was part of the previous agreement also. Apart from that, what other concessions have been given to Japan under the GATT?

Shri Satish Chandra: There are no special concessions. This is a mutual agreement in which the advantages lie on both sides. We are getting the same treatment from Japan as we are according them in respect of customs duties on goods, regulations concerning imports and exports, rights of residence and property, etc.

Shri B. S. Murthy: Is it a fact that much of the machinery to be imported from Japan is to be on a deferred payment basis?

Shri Satish Chandra: Some agreements have been entered into by individuals whereby machines are imported on a deferred payment basis. Recently Japan has agreed to give a credit of about Rs. 24 crores to be utilised during the next three years for the import of capital goods into India.

Pashmina Industry

*295. **Shri Raghunath Singh:** Will the Minister of Commerce and Industry be pleased to state whether it is a fact that Pashmina Industry of Kashmir is facing crisis on account of the acute shortage of raw material?

The Minister of Commerce (Shri Kanungo): Government have no information to this effect.

श्री रघुनाथ सिंह जहां तक पशमीना इन्डस्ट्री का ताल्लुक है, यह काश्मीर से बहुत अधिक मात्रा मे एक्सपोर्ट होता है । अगर आप काश्मीर जायें तो यह चीज आपको मालूम हो जायेगी । लेकिन इसकी कमी के कारण वहां के व्यापार पर बहुत बुरा असर पड़ रहा है । मैं जानना चाहता हूं कि क्या आप रा मैटिरियल को बाहर से इम्पोर्ट कर के वहां देने का विचार कर रहे हैं ?

श्री कानूनगो : लद्दाख से तथा कुल्लू मे तकरीबन १,००० मन पशमीना आता है जबकि काश्मीर मे उसकी मांग केवल ३५० मन के करीब है ।

श्री हेम राज : यह जो चीगो गोट्स की ऊन है, यह बाहर से आती है, हिन्दुस्तान मे नहीं होती है । मैं जानना चाहता हूं कि क्या इन चीगो गोट्स को पालने का प्रबन्ध हिन्दु-

स्तान में ही, काश्मीर के इलाके में या स्पिति के इलाके में या चीनी तहसील में किया जायेगा ?

श्री कानूनगो : यह सवाल एग्रिकलचर मिनिस्टर से अगर पूछा जाये तो मालूम हो जायेगा । जहां तक मुझे मालूम है, इस जानवर को यहां पाला नहीं जा सकता है, यह यहां पनप नहीं सकता है ।

Shri Thirumala Rao: Has the cottage and industries section of the Commerce and Industry Ministry no contact with the cottage industries section of the Kashmir Government?

Shri Kanungo: Yes, of course.

Shri Thirumala Rao: Then, has the department no information. The hon. Minister says he has got no information.

Shri Kanungo: My answer is this. There was no shortage. I gave the further information that out of 1,000 maunds available in Kashmir, its demand is barely 350 maunds.

श्री हेम राज : मैं जानना चाहता हूं कि जो ट्रेड एग्रीमेंट आपका चीन के साथ हो रहा है, उसमें क्या यह चीज भी रखी जायेगी कि वहां से जो पशमीना आ रहा है, वह और अधिक मात्रा में हिन्दुस्तान में आये?

श्री कानूनगो : अब तो कुछ रुकावट नहीं है ।

Export of Sola Hats

*296. **Shri Bishwanath Roy:** Will the Minister of **Commerce and Industry** be pleased to state whether the export of Sola hats has improved after the decision of Government for free licence regarding their export?

The Minister of Commerce (Shri Kanungo): Sola Hats other than those manufactured from Mineral Khaki Cloth have been licensed freely during the last five years. Sola Hats manufactured from Mineral Khaki Cloth are also now licensed freely since January, 1957. Exports of Sola Hats were not recorded separately, in the Trade Classification of the Country prior to 1957. Since January, 1957 export of "Pith Hats, helmets and hatters ware" under which classification Sola Hats fall, are recorded separately and during 1957 their exports amounted to 3952 dozens. In the absence of export statistics relating to sola hats prior to 1957, it is not possible to say whether export has improved.

Shri Bishwanath Roy: May I know whether there was any increase in export in the last year as compared to the year 1956?

Shri Kanungo: We have no figures for previous years.

Shri Jaipal Singh: Has this free export of sola hats in any way reduced the breed of tin hats in this country?

Shri B. K. Gaikwad: May I know the names of persons to whom the Government have issued free export licence in respect of sola hats?

Shri Kanungo: It is free, and any body can export it.

Shrimati Ila Palchoudhuri: Considering the fact that sola hats will mostly be exported to tropical countries like Burma and Africa, may I know what efforts are being made to augment the export of this commodity to these countries?

Shri Kanungo: It is a very small item, and we do not think any special efforts are necessary.

Some hon. Members rose—

Mr. Speaker: It is such a small item that not more than three questions can be allowed.

Shrimati Ila Palchoudhuri: There are thousands of people who depend for their livelihood on this industry in Bengal.

Mr. Speaker: Very well, we will go to the next question.

Coir mats and Mattings

*297. **Shri Warior:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether Government have taken note of the deteriorating conditions of coir mats and mattings industry of Kerala; and

(b) if so, the steps taken in the matter?

The Minister of Industry (Shri Manubhai Shah): (a) Government are aware that exports of Coir mattings have somewhat declined; but condition of mats and mattings industry is generally satisfactory

(b) The Coir Board is taking all possible steps to increase consumption of Coir products both in India and outside India.

Shri Warior: May I know by how much the export of coir mats and mattings has gone down in the year 1957 as compared to 1956?

Shri Manubhai Shah: In 1955-56-57 the export of coir mats increased from 2,17,000 cwt. to 2,31,000 cwt, and mattings, rugs and carpets declined from 1,70,000 cwt. to 1,22,000 cwt

Shri Narayanankutty Menon: May I know whether Government have received any representation from the Kerala Government requesting to declare coconut husk as an essential commodity so that prices could be fixed?

Shri Manubhai Shah: Yes, Sir, we have received several representations

Shri Narayanankutty Menon: Upon the receipt of such representations may I know what action the Government have taken?

Shri Manubhai Shah: Actually, no steps on the side of declaring it an essential commodi · is necessary. Most of the steps that are being taken for promotion are for raising the prices to the primary producer.

Shri Punnoose: Is it not a fact that coir goods at the raw material stage are being exported in large quantities with the result that mats and mattings do not find a market, and may I know what action Government propose to take in this connection?

Shri Manubhai Shah: As I indicated, from the figures it is the export of finished products like mats which is increasing. It is true that still much more can be done, and a considerable amount of coir yarn which is going out could be woven in this country. That is why the Coir Board is taking all steps to get exported finished goods rather than raw material at the primary and secondary stages.

Shri B S Murthy: May I know what special steps are being taken to improve the quality of coir industry in India; whether any persons have been sent abroad for training?

Shri Manubhai Shah: As far as sending people abroad is concerned, a small delegation is shortly going out to find out further markets for coir products Regarding improvement of quality, as I already indicated the Coir Board, the State Governments and the Central Government have directed their efforts to see that the quality of yarn improves and all new types of diversified production takes place in the country

Mr. Speaker: Next question, Shri Damar.

Shri Damar: Question 298.

Shri Jaipal Singh: Sir, I suggest that Question 314 may also be taken along with this.

Mr. Speaker: Is the hon. Minister willing?

Shri Kanungo: Yes, Sir.

Mr. Speaker: Questions 298 and 314 may be taken up together.

ताड़ गुड़

*२९८. **श्री डामर** : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) मध्य प्रदेश में द्वितीय पंचवर्षीय योजना के अन्तर्गत ताड गुड के उत्पादन के लिये अब तक कितनी राशि मंजूर की गई है ; और

(ख) मध्य प्रदेश में झाबुआ जिले के लिये जो योजना बनाई गई है उसका ब्यौरा क्या है ?

वाणिज्य मंत्री (श्री कानूनगो) : (क) द्वितीय पंचवर्षीय योजना के आरम्भ होने से ले कर १५ जनवरी, १९५८ तक निम्न राशि मंजूर की गयी है —

	रु०		
अनुदान	२,४१,९८६	७	०
ऋण	९३,९००	०	०
योग	३,३५,८८६	७	०

(ख) झाबुआ जिले मे अधिकतर आदिवासी रहते है । मध्य भारत खादी और ग्रामोद्योग बोर्ड ने एक योजना चालू की है, जिसका उद्देश्य नशाबंदी लागू किये जाने से प्रभावित हुए आदिवासी ताडी उत्पादको का पुनर्वास करना और उन्हे ताड का रस निकालने तथा ताड गुड बनाने के सुधरे हुए तरीको की ट्रेनिंग देना है । इस काम पर खर्च करने के लिये १९५६–५७ से प्रति वर्ष ३५,००० रुपये निश्चित किया गया है । प्रति वर्ष ३० आदिवासियो को ट्रेनिंग दी जा रही है और उनको सुधरे हुए औजार मुफ्त दिये जाते है । आदिवासियों द्वारा बनाये गये ताड़ गुड़ पर ५ रुपये प्रति मन आर्थिक सहायता भी मिलती है ।

Some Hon. Members: In English.

Shri Kanungo: (a) From the commencement of the Second Five Year Plan upto the 15th January, 1958 as follows:—

Grants.	..	Rs.	2,41,986/7/-
Loans.		Rs.	39,900/-
Total	..	Rs.	3,35,886/7/-

(b) Jhabua district is largely populated by Adiwasis. The Madhya Bharat Khadi and Village Industries Board has introduced a scheme for the rehabilitation of Adiwasi 'tadi' tappers affected by the introduction of prohibition by training them in improved methods of tapping palm juice and making gur A sum of Rs. 35,000 since 1956-57 has been ear-marked every year for the purpose. 30 Adiwasis are being trained every year and improved implements are supplied to them free of cost. Subsidy is also admissible at Rs. 5 per maund of gur produced by Adiwasis.

ताड़ गुड़

*३१४. **श्री डामर** : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) जब से ताड गुड बनाने की योजना देश मे क्रियान्वित की जा रही है तब से इस के उत्पादन में कौन सा राज्य सब से आगे है ; और

(ख) क्या उस राज्य को, जो ताड़ गुड के उत्पादन मे सब से आगे है, कोई विशेष सुविधाये दी गई हैं ?

वाणिज्य मंत्री (श्री कानूनगो) : (क) मद्रास ।

(ख) जी, नही ।

श्री अमर सिंह डामर : क्या मै जान सकता हूं कि झाबुआ तहसील के किन किन ज़िलो में योजना लागू है ?

श्री कानूनगो : मेरे पास तहसील की फ़ेहरिस्त नहीं है ।

श्री राधे लाल व्यास : क्या मै यह जान सकता हूं कि अभी तक जिस समय के लिये यह रकम मंजूर की गई थी उस समय में हमारे मध्यप्रदेश में कितना गुड़ तैयार किया गया और इस गुड़ के तैयार करने में अब तक कितना रुपया कुल खर्च हुआ ?

श्री कानूनगो : उत्तर में खर्च का हिसाब दिया हुआ है ।

श्री राधे लाल व्यास : मैं एक्चुएल एक्सपेंसेज जानना चाहता था ।

श्री कानूनगो : ऐक्चुएल एक्सपेंसेज का हिसाब मेरे पास नही है । और कितना गुड़ साल ब साल हुआ है उस का भी हिसाब नहीं है ।

Shri Supakar: How does the cost of production of palm gur compares with that of gur produced from sugarcane?

Shri Kanungo: The cost of production varies from place to place. In Madras it is very much cheaper and in other places it is a little costlier.

Shri Tangamani: The hon. Minister in reply to Question No. 314 stated that Madras State is leading in the production of palm gur. May I know what special help is given to those co-operatives that are producing this palm gur?

Shri Kanungo: Whatever requirements of societies are there are being met almost in full. The question was whether any special privileges are being given. There are none.

श्री मा० ला० वर्मा : क्या मैं जान सकता हूं कि जिन से गुड़ निकाला जाता है उन दरख्तों में से कितने जिन्दा रहते हैं और कितने सूख जाते हैं ?

श्री कानूनगो : दो क़िस्म के पेड़ों से खजूर और ताड़ दोनों से रस निकाला जाता है । पेड़ों को कोई खतरा नहीं होता ।

श्री मा० ला० वर्मा : मैं मिनिस्टर साहब से जानना चाहता हूं कि क्या आप ने इस की जांच कराई है कि सूखते नहीं हैं ? क्या आप यह बिलकुल विश्वासपूर्वक कह सकते हैं ?

वाणिज्य तथा उद्योग मंत्री (श्री मोरारजी देसाई) : मुझे मालूम है कि नहीं सूखते हैं ।

श्री मा० ला० वर्मा : मैं मिनिस्टर साहब से यह निवेदन करना चाहता हूं कि वे इस सम्बन्ध मे जांच करायें क्योंकि मैं बखूबी जानता हू कि वे सूख जाते हैं ?

श्री मोरारजी देसाई : रस निकालने से तो नही सूखते हैं और किसी वजह से सूख जाते हों तो सूख जाते हों ।

Radio Station in Koraput

*299. **Shri Sanganna:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether it is a fact that 1 Kw Broadcasting Station will be opened in the Koraput District (Orissa) to supplement the A.I.R., Cuttack; and

(b) if so, when?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). There is no such proposal under consideration.

Shri Sanganna: May I know whether the status of the Cuttack Station has since been raised?

Dr. Keskar: I have already informed in reply to another question that Cuttack Station is being made more powerful and a 20 kwt. transmitter is being at present erected at Cuttack.

Shri Sanganna: May I know if there is no possibility of opening a radio

station at Koraput? There is a proposal to provide time in the programmes of the Bezwada station of A.I.R. to broadcast the tribal programme from the south.

Dr. Keskar: When the power of Cuttack station will be enhanced, this question will certainly be considered.

Shri Panigrahi: From when will the power of the Cuttack station be enhanced?

Dr. Keskar: The erection of the transmitter is practically complete and we hope that it will go on the air by the middle of March

Shri B. S. Murthy: May I know whether this question has been considered, namely, the majority of the people living in Koraput are Telegu-speaking and as such they require a separate radio station?

Dr. Keskar: I do not see any reason—simply because there might be Telugu-speaking people in Koraput—to give them a separate radio station.

12 hrs.

Border Incidents

*301 **Shri Dasaratha Deb:** Will the **Prime Minister** be pleased to state·

(a) the number of cattle reported to have been lifted to East Pakistan from the border areas of Tripura, in 1957-58;

(b) whether any action has been taken to recover the lifted cattle;

(c) if so, the result thereof; and

(d) what steps have been taken to stop this cattle lifting?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) 33 head of cattle were lifted from the 1st January, 1957 till the 15th January, 1958

(b) Strong protests have been lodged with the District Magistrates concerned in Pakistan asking for the return of the cattle lifted.

(c) None of the cattle lifted has so far been restored. The matter is still under correspondence.

(d) The police in the border areas have been instructed to maintain greater vigilance to prevent cattle lifting by Pakistani nationals.

WRITTEN ANSWERS TO QUESTIONS

दिल्ली में विस्थापित व्यक्तियों की बस्तियाँ

*२८६. **श्री नवल प्रभाकर** : क्या पुनर्वास तथा अल्पसंख्यक-कार्य मंत्री १७ मई, १९५७ के तारांकित प्रश्न संख्या ११२ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या दिल्ली में विस्थापित व्यक्तियों की बस्तियों में बिजली, पानी और भूमिगत नालिया आदि बनाने की सब विकास योजनाये नियत समय में पूरी हो जायेगी ; और

(ख) अब तक हुए विकास कार्य का ब्यौरा क्या है ?

पुनर्वास तथा अल्पसंख्यक कार्य मंत्री (श्री मेहर चन्द खन्ना) · (क) और (ख). दिल्ली की शरणार्थी बस्तियो में अब तक किये गये डेवलपमेंट के बारे में एक स्टेटमेंट सभा की मेज पर रख दी गयी है [देखिये परिशिष्ट २, अनुबन्ध संख्या ४८]

Radio Station at Raipur

*292. **Shri V. C. Shukla:** Will the Minister of **Information and Broadcasting** be pleased to state:

(a) whether during his recent tour in Madhya Pradesh, a demand was made by a large section of the people for the establishment of a Radio Station at Raipur; and

(b) if so, whether Government have given any consideration to the request?

The Minister of Information and Broadcasting (Dr Keskar): (a) and (b) A representation was received from a Member of the Legislative Assembly, Raipur, Madhya Pradesh I also received a number of representations during my visit to Raipur and Bilaspur It was explained to representative opinion in the area that it is not possible to consider the question for various reasons in 2nd Five Year Plan Attention was also drawn to the installation of the 10 KW SW transmitter at Bhopal which will adequately cover the Chattisgarh area.

Delhi Shops and Establishment Act

***294 Shri Vajpayee.** Will the Minister of Labour and Employment be pleased to state

(a) whether there is any proposal to extend the Delhi Shops and Establishment Act to some newly developed areas and colonies in Delhi,

(b) if so, when the proposal is likely to materialise, and

(c) the names of colonies and areas to be included?

The Deputy Minister of Labour (Shri Abid Ali). (a) Yes

(b) After the Corporation for Delhi has been set up

(c) The areas covered by the present West and South Municipal Committees

Central Board of Trustees of the Employees Provident Fund

***300 Shri T B Vittal Rao** Will the Minister of Labour and Employment be pleased to state

(a) whether any decision has been arrived at by Government in regard to the recommendation of the Central Board of Trustees of the Employees Provident Fund about grant of loans to the members from the Provident Fund for—

(i) House-building,

(ii) serious illness, and

(iii) daughter's marriage,

(b) if so, when will it be enforced; and

(c) if not, the reasons for the delay?

The Deputy Minister of Labour (Shri Abid Ali): (a) to (c) The matter is under consideration

Gun Powder Factories

***302. { Shri Hem Raj.
Shri Padam Dev**

Will the Minister of Commerce and Industry be pleased to state

(a) the number of gun powder factories in the country in which Gun Powder is prepared by modern scientific methods

(b) whether they all belong to foreign or Indian nationals,

(c) if these are foreign-owned, whether any arrangements have been made by Government for the training of Indian apprentices in these factories, and

(d) whether any arrangement exists for the training of Indian youths abroad in this trade?

The Minister of Industry (Shri Manubhai Shah) (a) There are no factories in the country in which Gun Powder is prepared by modern scientific methods

(b) and (c) Do not arise

(d) No, Sir

Visa Office at Agartala

***303 Shri Bangshi Thakur:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that the Visa Office established at Agartala Town has been closed;

(b) whether Government are also aware that for this reason most of the people of Tripura specially the displaced persons are experiencing great difficulties; and

(c) the steps Government propose to take in the matter?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) and (b) Yes, Sir.

(c) Government of India have taken up the matter with the Government of Pakistan, urging them to reconsider their decision Their reply is awaited.

Low Income Group Housing Scheme

*384 **Sardar Iqbal Singh**: Will the Minister of **Works, Housing and Supply** be pleased to state

(a) whether the Government of Punjab have requested the Central Government for increase of funds to assist the Low Income Group Housing Scheme recently,

(b) whether Government have considered this request,

(c) if so, with what results, and

(d) the total extra amount to be given to Punjab in this regard?

The Minister of Works, Housing and Supply (Shri K C Reddy): (a) Yes, Sir The Punjab Government have requested that their allocation of Rs. 66 75 lakhs during 1957-58 be increased to Rs 90 00 lakhs,

(b) to (d) The State Government's request has been considered and it might be possible to make a further allocation out of the surrenders resulting from other housing schemes, provided substantial disbursements are made by the State Government during the remaining months of the financial year 1957-58 The State Government had an amount of about Rs. 35.00 lakhs lying undisbursed with them at the end of December, 1957.

Cement Factory, Mirzapur

*305 **Shri Raghubir Sahai:**
Shri Khushwaqt Rai:
Dr Sushila Nayar:

Will the Minister of **Commerce and Industry** be pleased to state·

(a) whether the Uttar Pradesh Government approached the Centre for the grant of an import licence to proceed with the expansion of the Cement Factory at Mirzapur,

(b) if so, when, and

(c) the reasons why the licence has not been granted so far?

The Minister of Industry (Shri Manubhai Shah): (a) Yes, Sir

(b) September, 1957

(c) The grant of licence has since been approved

Jute Mills

*306 **Shri A. K Gopalan:**
Shri S M Banerjee:
Shri Jagdish Awasthi:

Will the Minister of **Commerce and Industry** be pleased to state·

(a) the total number of jute mills closed during 1956-57 and upto the end of November, 1957, and

(b) the steps Government propose to take to run those mills?

The Minister of Commerce (Shri Kanungo). (a) Six

(b) No particular steps are proposed to be taken by Government, as the loom hours of all but one mill have been transferred to other working mills

Open General Licences

*307 **Shrimati Ila Palchoudhuri**: Will the Minister of **Commerce and Industry** be pleased to state·

(a) whether it is a fact that the Government of India have decided

not to permit renewal of the Open General Licence for the country crafts; and

(b) if so, the reasons therefor?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) No such decision has so far been taken. The matter is however under consideration.

(b) Does not arise.

Pakistani Troops on Assam Border

*308. **Dr. Ram Subhag Singh:**
Shri Panigrahi:
Shri Raghunath Singh:
Shri L. Achaw Singh:
Shri Vajpayee:

Will the **Prime Minister** be pleased to state:

(a) whether Government are aware that heavy concentrations of Pakistani troops are being made on Assam border; and

(b) whether these concentrations of troops have caused the stoppage of border trade?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) Government are aware that the armed forces of Pakistan have been deployed along the Assam-East Pakistan border to help the East Pakistan Government in their campaign against smuggling.

(b) Yes, to a large extent.

Concessions to Displaced Persons

*309. **Shri Radha Raman:** Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) whether Government have announced any fresh concessions to displaced persons with regard to their payments of arrears in rent and purchase of property at reserve price;

(b) if so, the nature and detail of these concessions; and

(c) whether Government have thought of giving any concession to displaced allottees of markets which still remain Government properties?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) to (c). Copies of the Press Notes issued by Government on 12th June, 2nd July, 28th July and 31st December, 1957 in connection with the payment of the reserve price of the property and the arrears of rent in instalments are laid on the Table of the Lok Sabha. [*See* Appendix II, annexure No. 49.]

Small Scale Industries

*310 **Shri Panigrahi:** Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether the State Governments have been directed to disburse Government funds intended for the development of small scale industries through the State Finance Corporations; and

(b) if so, the amount allocated for Orissa for development of small industries in the State?

The Minister of Industry (Shri Manubhai Shah): (a) and (b). A statement is laid on the Table of the Lok Sabha [*See* Appendix II, annexure No 50]

विजय चौक

३११. **श्री भक्त दर्शन :**
श्री सं० चं० सामन्त :

क्या निर्माण, आवास और संभरण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि दिल्ली में केन्द्रीय सचिवालय से भारत द्वार (इण्डिया गेट) तक जाने वाली सड़क पर स्थित विजय चौक को और सुन्दर बनाने के उद्देश्य से अनेक फव्वारे और उपाहार-गृह बनाये जा रहे हैं ; और

(ख) यदि हां, तो इन के निर्माण पर कुल कितना धन व्यय होने का अनुमान है ?

निर्माण, आवास और संभरण मंत्री (श्री क० च० रेड्डी) : (क) जी, हां । १९५६ में मंजूर किये गये कार्य-क्रम पर काम चालू है ।

(ख) लगभग ६ लाख रुपये, जिस में सार्वजनिक सुविधाये देने की लागत भी शामिल है ।

Border Incident

***312. Shri D. C. Sharma:** Will the **Prime Minister** be pleased to refer to the reply given to Starred Question No. 25 on the 11th November, 1957 and state:

(a) whether any reply has been received from the Pakistan Government with regard to the protest lodged against the Razakars entry into India on the 16th October, 1957; and

(b) if so, the nature thereof?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) and (b). Pakistan Government have acknowledged receipt of the protest. Their final reply has not yet been received.

U.N. Map

***313.** { **Shri Raghunath Singh:**
Shri Vajpayee:
Shri D. C. Sharma: }

Will the **Prime Minister** be pleased to refer to the reply given to Unstarred Question No. 1377 on the 10th December, 1957 and state what reply has been received from the U.N. Secretariat on India's objection regarding the position of Kashmir on the U.N. Map?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): The subject is still under discussion with the U.N. Secretariat. The latest communication to our Permanent Representative at New York on this subject was sent on 10th February, 1958.

Industrial Hygiene Survey in Coal Mines

***315. Shri T. B. Vittal Rao:** Will the Minister of **Labour and Employment** be pleased to state:

(a) whether the proposal to carry out an industrial Hygiene Survey in Coal Mines has since been finalised;

(b) if so, when the proposal will actually materialise; and

(c) if not, the reasons therefor?

The Deputy Minister of Labour (Shri Abid Ali): (a) Work on a survey of the incidence of pneumoconiosis in coal mines has begun.

(b) The survey is expected to be completed by the end of 1958.

(c) Does not arise.

Metric Weights and Measures

***316.** { **Shri Vajpayee:**
Shri D. C. Sharma: }

Will the Minister of **Commerce and Industry** be pleased to state:

(a) the reasons for the delay in implementing the scheme for the introduction of metric weights and measures; and

(b) whether there is any proposal to select certain areas where the scheme will be inaugurated first?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) The implementation of the scheme requires (i) enactment of legislation by the States for enforcing weights and measures, (ii) setting up of Enforcement Organisations by State Governments, (iii) adequate supply of commercial weights and measures for the use of the public and (iv) Standards for varifying the commercial weights and measures. As satisfactory progress is being made in these directions, it has been decided to introduce the metric system, to a limited extent, in October this year.

(b) Yes, Sir. A statement showing the areas where the new system of weights is proposed to be introduced is laid on the Table of the Lok Sabha. [*See* Appendix II, annexure No. 51.] It is hoped that the system will also be introduced for specified purposes in Central and State departments as well as in selected major industries for the purchase of raw material and the sale of final products.

Indians in Ceylon

*317. **Shri D. C. Sharma:**
Shri Bhakt Darshan:
Shri S. C. Samanta:

Will the **Prime Minister** be pleased to state:

(a) whether there has been any correspondence between the Government of India and the Ceylon Government with regard to the repatriation scheme of Indians; and

(b) if so, the nature thereof?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) and (b). Correspondence has been exchanged from time to time, between the Indian High Commission in Ceylon and the Government of Ceylon about the repatriation of Indian Temporary Residence Permit holders in Ceylon. This is done with a view to ensure that the repatriation should be gradual and progressive, and should be planned in consultation with the Indian authorities so that, on the one hand, unnecessary hardship to the repatriates could be avoided and on the other, a difficult problem of rehabilitation of such persons might not be created for the Government of India.

Indian Traveller held up at Karachi

*318. **Dr. Ram Subhag Singh:**
Shri Raghunath Singh:
Shri Mohan Swarup:
Shri A. K. Gopalan:

Will the **Prime Minister** be pleased to state:

(a) whether the news published in the *Times of India* of Delhi dated January 4, 1958 that an Indian passenger, Shri Rulda Ram, travelling from Delhi to London was returned from Karachi airport by Pakistan passport authorities on the ground that his passport was not genuine, is correct;

(b) whether it is also a fact that the Pakistan passport authorities did not allow him to contact the Indian High Commission at Karachi;

(c) whether he was compelled to return to Delhi from Karachi by the I.A.C. plane in which he had travelled to Karachi;

(d) whether in Delhi his passport was found to be genuine;

(e) whether Government have lodged any protest with the Government of Pakistan against this high-handedness of the Pakistan passport authorities; and

(f) if so, with what effect?

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): (a) Yes.

(b) According to Shri Rulda Ram, who was questioned by Customs and Security Police officers at Safdarjung Airport on his return to Delhi from Karachi, the local authorities at Karachi's airport did not allow him to communicate with the Indian High Commission.

(c) Yes.

(d) Yes.

(e) Yes. We have drawn the attention of the Pakistan Government to Shri Rulda Ram's assertion that he was not allowed to communicate with our High Commission at Karachi as also to the fact that his passport was genuine and that this episode caused him grave inconvenience.

(f) No reply has yet been received from the Pakistan Government.

Khanna Market in Delhi

***319.** { **Shri A. K. Gopalan:**
Shri Kodiyan:

Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state

(a) whether it is a fact that the Khanna Market (near Tis Hazari) in Delhi is going to be demolished,

(b) if so, whether alternative accommodation will be found for those in occupation of Khanna Market, and

(c) if so, where?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) Yes

(b) The matter is under the consideration of the Delhi Administration

(c) The site has not yet been selected

Mines Act, 1952

***320 Shri T. B. Vittal Rao:** Will the Minister of **Labour and Employment** be pleased to state

(a) whether Government propose to amend the Mines Act, 1952 incorporating some recommendations made by the Industrial Committee on Coal Mines which met in August, 1957, and

(b) if so, when legislation will be undertaken?

The Deputy Minister of Labour (Shri Abid Ali) (a) Yes, on the basis of the recommendations of the Industrial Committee on Coal Mines which met in August, 1956

(b) Certain other proposals for amendment are also under consideration and as soon as they are finalized necessary amending legislation will be undertaken

Trade Agreement between India and Italy

***321. Shri Vajpayee.** Will the Minister of **Commerce and Industry** be pleased to state

(a) whether the trade agreement between India and Italy has been extended till December 1958; and

(b) if so, whether any change has been made in the original agreement arrived at in 1954?

The Minister of Commerce (Shri Kanungo) (a) Yes, Sir

(b) No Sir

Visit of Foreign Dignitories

359. { **Shri Harish Chandra Mathur:**
Shri Raghunath Singh:

Will the **Prime Minister** be pleased to state the names and programme of the foreign dignitories likely to visit India during the year 1958?

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru) The names and programmes of the foreign dignitories who have so far visited India in this year and who are scheduled to visit us during the year 1958 are as below, according to the programme indicated against each —

1 The Prime Minister of Czechoslovakia from January 3 to January 15, 1958

2 The President of Indonesia from January 6 to January 12, 1958

3 Dr Frank P Graham, U N Observer from January 12 to January 17, January 23 to February 1, 1958 and again from February 7 to February 13, 1958

4 H E Mr Lepori, Head of the Department of Information & Broadcasting, Switzerland from January 22 to February 4, 1958

5 Mr David Owen, Executive Chairman of the United Nations' Technical Assistance Board from January 23 to January 29, 1958

6 The President of the Democratic Republic of Vietnam from February 5 to February 14, 1958

7. The King of Afghanistan from February 11 to February 26, 1958.

8. Mr. Cabot Lodge, U.S. Permanent Representative to the U.N. from February 12 to February 17, 1958.

9. The Foreign Minister of Austria from March 2 to March 9, 1958.

10. The Prime Minister of Rumania from March 7 to March 21, 1958.

11. The Prime Minister of New Zealand from March 17 to 20, 1958.

Kashmir Issue

360. Shri Harish Chandra Mathur: Will the **Prime Minister** be pleased to state:

(a) whether Government have prepared and propose to issue a White-Paper on Kashmir Issue stating the up-to-date position of the Indian Government in the matter; and

(b) whether Government's attention has been drawn to demand for such a issue by friends of India in foreign countries?

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): (a) Statements indicating the position of the Government of India on the Kashmir question have been made in the Lok Sabha from time to time. Government of India's position on this question has also been given in detail in the statements made by India's representative in the Security Council meetings last year. These statements have been printed and copies of all statements made up to 13th November 1957 are available in the Library of the Lok Sabha. Statements made by India's representative in the Security Council meetings of 18th November 1957, 21st November 1957 and 2nd December 1957 are being printed and copies will be placed in the Lok Sabha Library. In view of the above, Government do not propose to issue any further White Paper.

(b) Government of India's position as given in the statements referred to in (a) above has been noted by the foreign press, extracts from which have been reproduced by the Information Service of India in three volumes under the title "Kashmir—Foreign Press Comment", copies of which are available in the Lok Sabha Library.

कामगरों का शिक्षण

३६१. श्री म० ला० द्विवेदी : क्या **श्रम और रोजगार** मंत्री यह बताने की कृपा करेंगे कि :

(क) कामगरों के शिक्षण के सम्बन्ध में फोर्ड फाउन्डेशन के सहयोग से जो समिति नियुक्त की गई है उस के कौन कौन सदस्य हैं ; और

(ख) समिति द्वारा दिये गये सुझावों को कार्यान्वित करने के लिये क्या कार्यवाही की गई है ?

श्रम उपमंत्री (श्री आबिद अली) : (क) कामगर शिक्षा सम्बन्धी टीम में निम्नलिखित व्यक्ति थे :—

(१) मि० अथनी लुचेक,
प्रोफेसर औफ इंडस्ट्रियल रिलेशन्स और डाइरेक्टर, लेबर एजुकेशन सर्विस, दि पिन्सिलवेनिया स्टेट युनिवर्सिटी ।

(२) मि० एमेरी बैकन ;
डाइरेक्टर औफ एजुकेशन, यूनाइटेड स्टील वर्कर्स औफ अमेरिका ।

(३) मि० नुट लार्सन,
स्वेडिश वुड वर्कर्स युनियन के भूतपूर्व प्रेजिडेंट ।

(४) मि० पर्सी नाइट,
ट्रेड्स यूनियन काग्रेस, ब्रिटेन, और भूतपूर्व असिस्टेंट जनरल सेक्रेटरी,

नैशनल यूनियन ग्रौफ सीमन, यूनाइटेड किंगडम ।

(५) सोशल इन्स्टिट्यूट, पूना के फादर ए० फैनमंका ।

(६) श्री ए० एस० आयगर,
बम्बई सरकार के रिटायर्ड लेबर कमिश्नर ।

(७) श्री पी० एम० ईश्वरन,
चीफ लेबर कमिश्नर भारत सरकार ।

(८) श्री बी० एन० दातार,
डाइरेक्टर, लेबर एण्ड एम्प्लायमट डिवीजन, योजना कमीशन ।

(ख) जब तक कि कार्यक्रम को टीम की सिफारिशो के अनुसार चलाने के लिय ट्रेड यूनियनो, मालिको, सरकार और शिक्षा सस्थाओ के प्रतिनिधियो का कामगर शिक्षा सम्बन्धी एक अर्ध-स्वायत्त केन्द्रीय बार्ड स्थापित होता है, तब तक कार्यक्रम के पहले भाग के सम्बन्ध मे कार्रवाई पूरी करने के लिय सरकार न कामगर शिक्षा सम्बन्धी एक त्रिदलीय समिति बनाई है । ६० टीचर एडमिनिस्ट्रेटरो का बम्बई मे छ महीने तक ट्रेनिग देने का विचार है । इन मे १५ प्रशिक्षार्थियो का अखिल भारतीय कामगर सगठन नामजद करेंगे और ४५ प्रशिक्षार्थी देश के विभिन्न प्रदेशो मे लिये जायेंगे । कामगरो की शिक्षा योजना के लिये एक एडमिनिस्ट्रेटर की नियुक्ति की जा चुकी है ।

गन्दी बस्तियों की सफाई

३६२. श्री म० ला० द्विवेदी : क्या निर्माण, आवास और संभरण मत्री यह बताने की कृपा करेंगे कि

(क) राज्य सरकारो से गन्दी बस्तियो की सफाई के लिये अब तक राज्य-वार कितनी योजनायें प्राप्त हुई हैं ,

(ख) उन योजनाओ का ब्यौरा क्या है , और

(ग) इन के लिये केन्द्रीय सरकार द्वारा दी जाने वाली राशि मे से अलग-अलग कितना ऋण अथवा अनुदान दिया जा चुका है अथवा देने का विचार है ?

निर्माण, आवास और संभरण मंत्री (श्री क० च० रेड्डी) (क) से (ग) ब्यौरा साथ लगे विवरण मे दे दिया गया है **[देखिये परिशिष्ट २, अनुबन्ध सख्या ५१]**

राष्ट्रीय इमारत संस्था

३६३. श्री म० ला० द्विवेदी क्या निर्माण, आवास और सभरण मत्री यह बताने की कृपा करेंगे कि

(क) राष्ट्रीय इमारत सस्था ने आवास सम्बन्धी आकडे इकट्ठे करने के लिये क्या काम किया है ,

(ख) इन आकडो को कौन-कौन से विभाग काम म ला रहे हैं , और

(ग) निर्माणोपयोगी सामग्री, दरवाजे और खिड़कियो आदि के प्रमापीकरण के विषय मे अब तक क्या प्रगति हुई है ?

निर्माण, आवास और संभरण मत्री (श्री क० च० रेड्डी) (क) इस क्षेत्र म राष्ट्रीय इमारत सस्था का कार्य मुख्यत केन्द्रीय तथा राज्य सस्थाओ द्वारा एकत्रित किये गये आकडो की तुलनात्मक जाच कर के उन्हे एकीकृत रूप म तैयार करना है । इस सम्बन्ध म इस ने अब तक निम्नलिखित कार्यवाही की है —

(१) केन्द्रीय सरकारी निर्माण विभाग तथा अन्य सरकारी निर्माण सस्थाओ के आवास और निर्माण कार्यों के आकड़े जमा करने के लिये फार्मों का रूप निर्धारित किया है, और आकडे इकट्ठा करने के लिये कार्यवाही की जा रही है ।

(२) म्युनिसिपल क्षेत्रो मे गैर सरकारी निर्माण कार्यों के सम्बन्ध मे भी उसी प्रकार आंकड़े इकट्ठा करने के प्रयत्न किये जा रहे है ।

(३) १९६१ मे होने वाली जनगणना के साथ ही आवास-स्थिति के प्राथमिक आंकडे भी इकट्ठा करने का निर्णय किया गया है ।

(४) राज्य सरकारो के अंक-शास्त्रीय कार्यालयो द्वारा आवास सम्बन्धी आंकडे इकट्ठा करने, तथा नई दिल्ली की सरकारी बस्तियो के दो कमरे वाले मकानो मे रहने वालो के निवास-व्यवहारो का न्यादर्श सर्वेक्षण करने की भी कार्यवाही की जा रही है ।

(ख) राष्ट्रीय इमारत संस्था जो आंकड़े प्रकाशित कर रही है उन मे सेन्ट्रल बिल्डिंग रिसर्च इन्सटीच्यूट, सेन्ट्रल रोड रिसर्च इन्सटीच्यूट, केन्द्रीय सरकारी निर्माण विभाग, आदि को अभिरुचि होनी चाहिये किन्तु इस समय यह मालूम नही है कि देश की विभिन्न निर्माण एवं अन्य संस्थाओं ने उन का कितना उपयोग किया है ।

(ग) (१) राष्ट्रीय इमारत संस्था ने दरवाजो व खिडकियो के नमूनो के नकशे तैयार किये हैं, और अच्छी निर्माण-रीतियां जैसे 'मेसोनरी मार्टर्स' (Masonry Martars) पर सूचना भी प्रकाशित की है । अन्य सम्बन्धित विषयो जैसे फर्श बनाना, पलस्तर करना, ईटो की चुनाई आदि पर भी वैसी ही टिप्पणियां तैयार व प्रकाशित करने मे प्रगति हो रही है ।

(२) चूना (Building lime) तथा जिप्सम (Gypsum) से बनने वाली निर्माण-सामग्रियो के प्रामाणिक विवरण राष्ट्रीय इमारत संस्था मे तैयार किये जा रहे हैं ।

(३) विभिन्न प्रामाणिक विवरणो के तैयार करने मे भारतीय मानक संस्था को राष्ट्रीय इमारत संस्था सहयोग तथा सहायता देती है । निर्माण-कार्य के लिये ईटो, चौके (टाइलो) व प्राकृतिक पत्थरो के प्रामाणिक विवरण बनाने मे राष्ट्रीय इमारत संस्था ने भारतीय मानक संस्था के साथ काम किया है ।

बम्बई में सरकारी कार्यालयों के लिये आवास-स्थान

३६४. **श्री म० ला० द्विवेदी** : क्या **निर्माण, आवास और संभरण** मंत्री यह बताने की कृपा करेंगे कि

(क) बम्बई मे केन्द्रीय सरकार के कार्यालयो के लिये १ ०३ लाख वर्गफुट स्थान की जो कमी है उसे पूरा करने के लिये क्या योजना बनाई गई है ,

(ख) यह कमी कब तक पूरी हो जायेगी ,

(ग) इस समय इस कमी को पूरा करने के लिये कितनी गैर-सरकारी इमारतें ली गई हैं , और

(घ) इन गैर-सरकारी इमारतो का प्रति वर्ष कितना किराया दिया जा रहा है ?

निर्माण, आवास और संभरण मंत्री (श्री क० च० रेड्डी) (क) और (ख) इस समय वास्तव मे १ १५ लाख वर्गफुट की कमी है । क्वीन्स रोड पर केन्द्रीय कार्यालय भवन के विस्तार का कार्य कुछ महीनो मे पूरा हो जाने पर ६०,००० वर्गफुट अतिरिक्त स्थान उपलब्ध हो जायेगा । किन्तु इस में से ४०,००० वर्गफुट कुछ ऐसे कार्यालयो के लिये आरक्षित रखना पडेगा जोकि अल्पकालिक इमारतो में हैं जिन्हे गिरा देना होगा । बम्बई मे और भी कार्यालय भवन बनाने के प्रश्न पर विचार करना है । जब तक और भी नई इमारतें नही बन जाती, सरकार को उपयुक्त अवसरो पर

इमारतें किराये पर लेनी होंगी अथवा उन का अधिग्रहण करना होगा ।

(ग) और (घ). सरकार ने ऐसी किसी भी इमारत का अधिगमन नहीं किया है । किन्तु २५ इमारतें किराये पर ली गई हैं और १४ इमारतें अधिग्रहित हैं । इन ३९ इमारतों के लिये १०.६४ लाख रुपया वार्षिक किराया दिया जाता है ।

फास्फोरस

३६५. श्री म० ला० द्विवेदी : क्या **वाणिज्य तथा उद्योग** मंत्री यह बताने की कृपा करेंगे कि :

(क) इलेक्ट्रो थर्मल प्रणाली द्वारा फास्फोरस बनाने और उस से थर्मल सुपर फास्फेट बनाने के लिये क्या उपाय किये जा रहे हैं ;

(ख) इस सम्बन्ध में कितने निर्माताओं से आवेदन-पत्र प्राप्त हुए हैं; और

(ग) इस प्रणाली द्वारा कितना थर्मल सुपर फास्फेट प्रति वर्ष तैयार किया जा सकेगा ?

वाणिज्य तथा उद्योग मंत्री (श्री मोरारजी देसाई) : (क) से (ग). देश में फास्फोरस बनाने के लिये किसी गैर-सरकारी फर्म से कोई प्रस्ताव प्राप्त नहीं हुए हैं । राष्ट्रीय औद्योगिक विकास निगम का प्रस्ताव है कि कुछ विशेषज्ञों को विदेश भेजा जाय जिस से वे देश में इस तरह से फास्फोरस बनाने के आयोजन का अनुभव प्राप्त कर सकें ।

विस्थापित व्यक्तियों के लिये मकान

३६६. श्री म० ला० द्विवेदी : क्या **पुनर्वास तथा अल्प संख्यक-कार्य** मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५६–५७ में विस्थापित व्यक्तियों के लिये कुल कितने मकान कहां-कहां बनाये गये;

(ख) इन मकानों के बनाने पर कुल कितना खर्च हुआ ; और

(ग) मकानों के (एक) किराये और (दो) बिक्री से कुल कितनी आय हुई ?

पुनर्वास तथा अल्प संख्यक-कार्य मंत्री (श्री मेहर चन्द खन्ना) : (क) से (ग). ऐसा प्रतीत होता है कि यह प्रश्न पूर्वी तथा पश्चिमी क्षेत्रों से सम्बन्धित है । जो समय और मेहनत इस विस्तृत जानकारी को एकत्रित करने में लगेगी वह प्राप्त होने वाले परिणाम के बराबर नहीं होगी । यदि किसी विशेष राज्य के बारे में जानकारी मांगी जावे तो उसे एकत्रित करने का प्रयत्न किया जायेगा ।

Sewing Machines

367. { Shri Ram Krishan:
Shri D. C. Sharma:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) the number of sewing machines manufactured in the country during the year 1957-58 so far; and

(b) the number of machines out of these sold in the country and the number exported?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) About 1,40,000 Nos.

(b) The number of machines sold in the country is not available; however, the number of machines sold by small scale units was 11,100 during the period April-December, 1957. The total number of machines exported during 1957 was 4,575.

Displaced Persons' Claims

368. Shri Onkar Lal: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to state:

(a) the number of displaced persons in Kota division whose claims for

compensation have been admitted so far;

(b) the number of applications of displaced persons which are still pending; and

(c) the steps taken to dispose them of?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) Claims which were filed under the Claims Act of 1950, have been recorded according to the situation of the property concerned in each case in Pakistan and not with reference to the place in India from where the claim was filed. In addition, the jurisdiction of Claims Officers did not correspond to administrative units in India. It is not possible, therefore, to give the total number of claims filed by displaced persons in Kota Division.

(b) and (c). Do not arise

Roads in N.E.F.A.

369. { **Shri Subodh Hansda:**
Shri S. C. Samanta:

Will the **Prime Minister** be pleased to state:

(a) the total mileage of jeepable and motorable roads now existing in N.E.F.A. and N.H.T. area unit; and

(b) how many road bridges are still required to be constructed on these roads and when they will be completed?

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): (a) Jeepable roads—906 miles.

Motorable roads—466 miles.

(b) 64. Out of these, construction of 58 is expected to be taken up during the current Five Year Plan period and the rest during the Third Plan period.

Industrial Units in U.P.

370. Shri S. M. Banerjee: Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether some new industrial units are to be started in U.P. during 1958-59; and

(b) if so, what are those units?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). A statement giving the information is attached. [*See* Appendix II, annexure No. 53.]

Slum Clearance

371. Dr. Ram Subhag Singh: Will the Minister of **Works, Housing and Supply** be pleased to state:

(a) whether Government have received schemes for slum clearance from the Governments of Bihar and West Bengal; and

(b) if so, whether those schemes have been considered and funds have been sanctioned for them?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) Yes. Three slum clearance projects have so far been received from the Government of Bihar and four from the Government of West Bengal.

(b) Three projects of the estimated cost of Rs 32·20 lakhs from Bihar are under examination in consultation with the State Government.

Out of the four projects from West Bengal, two were sanctioned in October 1957, at an approved cost of Rs. 71·05 lakhs· the Union Government providing 25 per cent. of the approved cost as outright subsidy and 50 per cent. as loan. The third project has been referred back to the West Bengal Government for recasting. Regarding the fourth project which was formulated by the Calcutta Corporation at an estimated cost of Rs. 2 crores, the West Bengal Government requested that funds be found for it over and above the Plan allocation of Rs. 2·80 crores for West Bengal under the Slum Clearance Scheme. The Government of India are examining the request.

काम दिलाऊ दफ्तर

३७२. { **श्री मोहन स्वरूप :**
श्री राम कृष्ण :

क्या **श्रम और रोजगार** मंत्री यह बताने की कृपा करेंगे कि :

(क) ३१ दिसम्बर, १९५७ तक देश में राज्य-वार कितने काम दिलाऊ दफ्तर खोले गये और १९५७–५८ की शेष अवधि में कितने काम दिलाऊ दफ्तर खोले जायेंगे; और

(ख) द्वितीय पंचवर्षीय योजना काल में प्रत्येक राज्य में कितने नये काम दिलाऊ दफ्तर खोले जायेंगे ?

श्रम उपमंत्री (श्री आबिद अली) (क) और (ख). सूचना नीचे लिखे अनुसार है ।

राज्य का नाम	३१-१२-५७ तक खोले गये नियोजन कार्यालयो की संख्या	जनवरी/मार्च १९५८ के दरम्यान खोले जाने वाले नियोजन की प्रस्तावित संख्या	दूसरी पंचवर्षीय योजना की अवधि मे खोले जाने वाले नियोजन कार्यालयो की प्रस्तावित संख्या १९५६–६१
१. आन्ध्र प्रदेश .	१५	१	६
२. असम	६	१	५
३. बिहार	१९	१	२
४. बम्बई .	१७	८	१९
५. जम्मू व कश्मीर .		..	२
६. केरल	६	.	२
७. मध्य प्रदेश .	९	६	२१
८. मद्रास .	१२	१	१
९. मैसूर .	८	.	८
१०. उडीसा	६	१	६
११. पंजाब	१८		७
१२. राजस्थान	१०	२	११
१३. उत्तर प्रदेश .	३२	१	२३
१४. पश्चिम बंगाल	१३	४	६
१५. दिल्ली .	१	.	..
१६. हिमाचल प्रदेश	२	१	३
१७. मणिपुर .	१	.	१
१८. त्रिपुरा	१		१
१९. पाण्डिचेरी	१		१
कुल .	१७७	२७	१२५*

*इन मे चालू साल के बाकी भाग मे खोले जाने वाले मजूर शुदा २७ नियोजन कार्यालय (जिन्हें कालम ३ मे दिखाया गया है) और दूसरी पंचवर्षीय योजना काल में खोले गये नये ४३ नियोजन कार्यालय (जिन्हें कालम १ मे दिखाया गया है) भी शामिल है ।

Handloom Industry

373. Shri Panigrahi: Will the Minister of Commerce and Industry be pleased to state:

(a) the amount spent in the State of Orissa for the development of handloom industry during the year 1957-58 so far; and

(b) the items on which the expenditure has been incurred?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) and (b). A statement is attached. [*See* Appendix II, annexure No. 54.]

Murder Committed by a Pakistani National

374. Shri Raghunath Singh: Will the Prime Minister be pleased to state:

(a) whether it is a fact that one person was done to death by a Pakistani National on 24th/25th December, 1957 at Pallanwala village 40 miles away from Jammu in Jammu and Kashmir State; and

(b) if so, facts of the case?

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): (a) and (b). Yes, Sir. On the night intervening 24th and 25th December, 1957, some persons believed to be Pakistanis raided an Indian national's hut at Pallanwala, 40 miles from Jammu After killing him, the raiders took away some of his sheep and goats.

Preliminary investigations showed that the culprits retreated towards the border. Further investigations are in progress.

Diplomatic Passports

375. { Shri Morarka:
Shri Nathwani:

Will the Prime Minister be pleased to state:

(a) the total number of Diplomatic passports issued so far since 1947;

(b) how many of them are valid at present; and

(c) the qualifications of persons who are entitled to such passports?

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): (a) and (b). Diplomatic passports are ordinarily issued by the Ministry of External Affairs. Heads of Missions abroad are also authorised to issue diplomatic passports to certain specified categories of persons and to renew such passports. It would be difficult to say without very elaborate enquiries from all our missions abroad how many diplomatic passports have been issued since 1947. It would be still more difficult to say how many are valid at present since the period of validity varies depending on the circumstances of each particular case.

(c) Broadly speaking, diplomatic passports are issued to Cabinet Ministers, Chief Ministers of the States and other Ministers or Deputy Ministers proceeding abroad on Government business Similarly, they are granted to senior officers of Government proceeding on Government business and to officials and non-officials proceeding abroad as leaders of Indian delegations to international conferences. Officers of the Indian Foreign Service, their wives and dependent children below the age of 18 years travelling with their parents are also given diplomatic passports. This is in accordance with the practice followed by most countries as these officers have to travel frequently from one post to another abroad.

Housing Schemes

376. { Shri N. R. Munisamy:
Shri Jhulan Sinha:

Will the Minister of Works, Housing and Supply be pleased to state:

(a) the loans and subsidies allocated to various States under various housing schemes in the year 1957-58, Statewise; and

(b) the amount actually disbursed to the States?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) and (b). The required information is given in the attached statement. [*See* Appendix II, annexure No. 55.]

Foreign Awards

377. Shri Hem Barua: Will the Prime Minister be pleased to state:

(a) the rules regarding the acceptance of the awards of foreign states by the citizens of India;

(b) the list of persons who have received such awards since independence; and

(c) the names of the awards and the states issuing them?

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): (a) The Constitution of India does not debar Indian citizens from accepting decorations and other awards not amounting to titles from Foreign States. Government, however, do not favour acceptance of any such award from a Foreign Government. Government officials are debarred from accepting them without the previous permission of Government. Such permission is not given as a rule. Normally no objection, however, is raised to awards by the Vatican, or to awards for brave conduct or social service, to which no political significance can be attached.

(b) and (c). Since the private citizens are not bound to obtain approval of the Government of India before accepting awards of foreign States and have often been found to accept such awards without reference to the Government, it has not been possible to maintain a list of persons who have received such awards since independence. Similarly, no list of the names of the awards and the States issuing them is available.

Ambar Charkha Programme

378. Shri D. C. Sharma: Will the Minister of Commerce and Industry be pleased to state:

(a) the amount given to Punjab State as grants and loans for the implementation of the Ambar Charkha scheme from the date of its introduction;

(b) the amount spent so far; and

(c) the result achieved?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) The amount of grant and loan sanctioned for the Ambar Charkha Scheme in the Punjab State (as reorganised in 1956) was upto the 31st December 1957 as follows:—

Grant ..	Rs. 18,85,582
Loan ..	Rs. 37,21,600

(b) The information is being collected and will be placed on the Table of the Sabha in due course.

(c) The results achieved so far are as follows:—

Item	*Results achieved upto the 31st December, 1957*
1. Number of Parishramalayas (training centre of spinners) . .	331
2. Number of Vidyalayas (training for instructors and carpenters)	8
3. Number of Saranjam karyalas (decentralised workshops) .	5
4. Number of persons trained (instructors, carpenters and spinners)	8,502
5. Number of *Chorkhas*	
(i) Manufactured . . .	17,293
(ii) Distributed to spinners .	7,201
6. Production of :	
(i) Yarn (in million lbs.) .	0·204
(ii) Cloth (in million sq. yds.)	0·402

Directorate of Employment Exchanges

379. { **Dr. Ram Subhag Singh:**
Shri Hem Barua:

Will the Minister of **Labour and Employment** be pleased to state:

(a) whether the Manpower Division of the Directorate of Employment Exchanges has submitted its study report on the pattern of graduate unemployment;

(b) if so, what is the employment position of the graduate youths in the country according to that report; and

(c) how Government propose to improve the employment position?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes, but the survey was limited to the study of graduates who were seeking employment through the Employment Exchanges.

(b) As the survey was limited solely to the registered unemployed graduates no conclusion can be drawn as to the over-all employment position of graduates in the country. The survey brought out the following points of interest:—

(1) 73 per cent. of the registered unemployed graduates were holders of IIIrd Class degrees;

(2) 60 per cent. of the graduates were seeking clerical posts and 95 per cent. of these had taken a bachelor's degree in Arts, Science or Commerce.

(3) 65 per cent. below 25 years of age and 31 per cent. between 25 and 35 years.

(4) 77 per cent. had declared that they were seeking jobs for the first time.

(c) The various development schemes under the Five Year Plan are expected to improve the employment position of graduates as well as other employment seekers. Steps are also being taken to provide vocational guidance facilities in schools, colleges and Employment Exchanges so that a more realistic understanding of the world of work and employment opportunities may be gained.

हिमाचल प्रदेश में रेशम का केन्द्र

३८०. श्री पद्म देव : क्या वाणिज्य तथा उद्योग मंत्री यह बतान की कृपा करेंग कि :

(क) हिमाचल प्रदेश में रेशम पैदा करने वाले कितने केन्द्र हैं ;

(ख) ये केन्द्र कहां-कहां हैं ;

(ग) इन केंद्रो में कितना रेशम पैदा किया जाता है :

(घ) सरकारी केंद्रों और गैर-सरकारी केंद्रों द्वारा क्रमशः कितना-कितना रेशम पैदा किया जाता है ;

(ङ) ससे प्रति वर्ष कितना कपड़ा तैयार किया जाता है ; और

(च) सरकारी केन्द्रो की आय तथा व्यय का विस्तृत ब्योरा क्या है ?

वाणिज्य तथा उद्योग मंत्री (श्री मोरारजी देसाई) : (क) एक

(ख) मंडी में ।

(ग) १९५५–५६ में १८० पौण्ड कच्चा रेशम पैदा किया गया और १९५६–५७ में ४०० पौण्ड ।

(घ) इस समय हिमाचल प्रदेश में कच्चा रेशम पैदा करने वाला कोई भी गैर-सरकारी कारखाना नही है । (ग) भाग मे रेशम के जिन परिणामों का उल्लेख है, वे सरकारी केन्द्र मे पदा किये गये है ।

(ङ) अभी हिमाचल प्रदेश में रेशम मे कपड़ा बुनना शुरू नही किया गया है ।

(च) हिसाब-किताब का विस्तृत ब्योरा उपलब्ध नही है लेकिन इस का वार्षिक खर्च लगभग ९,००० रु० तथा आमदनी लगभग ९,५०० रु० है ।

Minimum Wages for various Industries

381. Shri Sadhan Gupta: Will the Minister of **Labour and Employment** be pleased to state:

(a) whether any and if so what steps have been taken since the 15th Indian Labour Conference which met in July, 1957 to fix minimum wages for different industries;

(b) if none, the reasons therefor; and

(c) the number of industries for which minimum wages were prescribed prior to the 15th Indian Labour Conference and the number and names of industries for which minimum wages have been fixed since the said Conference and the amount of minimum wages fixed in each case?

The Deputy Minister of Labour (Shri Abid Ali): (a) and (b). The Minimum Wages Act has been appropriately amended. The amended portion came into force from the 17th September, 1957. Necessary steps are being taken by Central and State Governments to fix minimum wages, wherever required.

(c) The available information is given in the statement furnished in reply to part (a) of Unstarred Question No. 190 on the 1st March, 1956. Nothing particular is to be added to the same at present.

Registered Joint Stock Companies

382. **Shri Pangarkar**: Will the Minister of Commerce and Industry be pleased to state:

(a) the number of registered Companies in Marathwada region;

(b) whether some of them have gone into liquidation; and

(c) if so, whether they have paid the Income Tax dues?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) 16.

(b) No company in the Marathwada region has gone into liquidation.

(c) Does not arise.

National Federation of Road Transport Workers of India

383. **Shri S. M. Banerjee**: Will the Minister of Labour and Employment be pleased to state:

(a) whether Government have received the copies of resolutions passed in the Second Annual Session of the National Federation of Road Transport Workers of India; and

(b) if so, the action taken by Government so far?

The Deputy Minister of Labour (Shri Abid Ali): (a) Yes.

(b) The Ministry of Labour and Employment is concerned with the resolutions passed by the Federation on the following subjects:

(1) Enactment of Uniform Central Legislation for Road Transport Employees;

(2) Setting up of a Wage Board;

(3) Setting up of a Labour Relations Machinery in the Himachal Pradesh.

As regards (1) suitable action to promote necessary legislation will be considered after the receipt of the report of the Tripartite Committee set up for the purpose.

Regarding (2). At present it is not contemplated to appoint a Wage Board for the Road Transport Industry.

About (3) Department of Industries, Himachal Pradesh attend to the Industrial relations concerning transport workers. The staff for administering labour laws and Industrial legislation is considered adequate.

Second Five Year Plan, Tripura

384. **Shri Dasaratha Deb**: Will the Minister of Planning be pleased to state:

(a) the total sum of money allotted under Second Five Year Plan for Tripura in 1957-58;

(b) the total amount spent;

(c) the reasons for shortfall, if any, in expenditure; and

(d) whether it is a fact that a good part of this amount could not be utilised because of delay in obtaining necessary sanctions from the Central Government?

The Deputy Minister of Planning (Shri S. N. Mishra): (a) Rs. 129·82 lakhs were budgeted.

(b) Figures of actual expenditure are not yet available. The preliminary revised estimate amounts to Rs. 221·15 lakhs. The excess over the budgeted outlay is mainly distributed over:

	Rs. Lakhs
1. Agriculture & Allied subjects	+ 1.84
2. C.D. & N.E.S.	+ 9.11
3 Industry	+ 6.01
4. Transport	+ 65.00
5. Social Services	+ 15.76

(c) does not arise.

(d) There is no specific representation.

Panels for Industries

385. Shri Jhunjhunwala: Will the Minister of Commerce and Industry be pleased to state:

(a) whether panels have been set up to investigate the question of bringing about capacity for the manufacture of X-Ray equipment, surgical instruments and appliances, electronics and wireless equipment, refractory industry, and paper and pulp industries; and

(b) if so, how many of these panels have submitted their reports and the contents thereof?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) Yes, Sir.

(b) The report of the panel on X-Ray equipment was placed on the Table of the House in reply to Starred Question No. 1085 answered on 13th December, 1957.

Reports of other panels have not been received; but generally they work in a manner similar to Development Councils and are of a more or less continuous nature.

Committee on Heavy Earth Moving Equipment

386. Shri Jhunjhunwala: Will the Minister of Commerce and Industry be pleased to state:

(a) whether a Committee on Heavy Earth Moving Equipment and other machinery for River Valley Projects has been appointed;

(b) the recommendations made by the Committee; and

(c) which of the recommendations have been accepted?

The Minister of Commerce and Industry (Shri Morarji Desai): (a) to (c). A Committee had been appointed in 1955 by the Government with a view to investigating the possibility of manufacturing earth moving equipment and other types of plant and machinery required for river valley projects during the Second Five Year Plan period Its terms of reference were:—

"(i) to what extent the different items of equipment could be manufactured by—

(a) the units already producing similar equipment;

(b) the units which have general workshop facilities.

(ii) the need for setting up a separate unit for manufacturing items of equipment which could not be taken up by the industrial units mentioned in (i) above.

The Committee will also explore the possibility of enlisting the co-operation of suitable firms abroad according to whose designs and specifications manufacture could be undertaken in the country".

Its report was received in August, 1957. It has made the following principal recommendations:—

1. The main types of Heavy Earth Moving Equipments required for the River Valley Projects under the Second Five Year Plan together with the corresponding minimum quantities required over a period of five years may be taken as under:—

		Quantity	
(i)	Crawler tractors	110	150 C.T.O.
	D.B.H.B	200	(others)
(ii)	Crawler tractors	150	500 (Irrigation Projects)
	D.B.H.P.	30	(C.T.O.)
		125	(others)
(iii)	Motorised scrapers 9 curametre	300	(only integral type motorised wheel scrapers are required)
(iv)	Towed Scrapers	200	
(v)	Motorised Dumper (side & rear) 7.5 cu.metre	100	
(vi)	Bottom Dumpers 7.5 cu. metre	100	
(vii)	Excavator Shovels 2 cu.metre Dragline Crane Clamshell	120	

2. It is preferable to establish indigenous production in collaboration with those foreign manufacturers, whose equipments have been or are deemed suitable for use under Indian conditions. Since the requirements of Crawler Tractors constitute the major portion of the overall requirements both in quantity and in value, it would be preferable to concentrate in the first instance on the manufacture of such tractors. Side by side with this, partial manufacture of such other equipment, which have appreciable commonalty of parts with the tractors as well as attachments to be used in conjunction with the tractors like Bull Dozers, Towed Scrapers, Sheepfoot Rollers, etc. could also be taken up with advantage.

3. It should be the aim to develop, if possible, both the medium and big tractors, of the same make. If, however no approved manufacturer came forward with his co-operation in this manner, preference should be given to the development of the medium tractor.

4. The limited requirements of tractors in sizes smaller or bigger than the ones accepted for indigenous development, should also be preferably restricted to the makes accepted for indigenous development, provided there is interchangeability of parts to a good extent and also if at least some percentage of the components required for these tractors are manufactured in the works of the party where collaboration is accepted for the development of this industry.

5. Since the volume of production of tractors in this country would be limited, it would be preferable to allow the tractor manufacturer himself to undertake the manufacture of Bull Dozers and Scrapers also so as to make both the schemes more economical.

6. While scrutinizing and approving phased manufacturing programmes submitted by possible foreign collaborators, care should be taken to see that the programme is compressed as much as possible and no more assembling programme should be permitted.

It should be a real indigenous manufacturing programme. Besides getting some of the components required to be manufactured by other workshops in the country, it seems necessary for the earth moving equipment factories also to set up facilities to manufacture of at least a reasonable percentage of components in its own premises. A mere assembly of imported and indigenous components to be secured from several possible sources according to a phased programme may be difficult to be enforced in actual practice and may not contribute to adequate saving in foreign exchange.

7. As the manufacture of components of earth moving equipment requires facilities normally available in heavy engineering shops and as Government are undertaking the development of heavy machinery and heavy engineering items, the question of close dovetailing of the manufacture of earth moving equipment with other schemes in the public sector deserves a careful consideration by the Government

8. Since the indigenous manufacture of Earth Moving Equipment has necessarily to be done in collaboration with foreign firms, the Committee were of opinion that the first and second terms of reference can be examined only after the views of the foreign firms interested in the indigenous development on the mode of development acceptable to them are known

These main recommendations have been considered by Government Interested parties have been advised to submit complete schemes for indigenous manufacture by the end of March 1958.

Housing in Punjab

387. Sardar Iqbal Singh: Will the Minister of **Works, Housing** and **Supply** be pleased to state:

(a) the total amount of money that has been allotted for implementation of the various housing schemes in Punjab during the years 1954 to 1957;

(b) the total amount disbursed during the same period; and

(c) the amount that has been allowed to lapse in the years 1954 to 1957?

The Minister of Works, Housing and Supply (Shri K. C. Reddy): (a) to (c). A statement giving the required information for the financial years 1954-55, 1955-56 and 1956-57, is attached. [*See* Appendix II, annexure No. 56.]

Displaced Persons in Madhya Pradesh

388. Shri Vajpayee: Will the Minister of **Rehabilitation and Minority Affairs** be pleased to refer to the reply given to Unstarred Question No. 215 on the 14th November, 1957 and state:

(a) whether any scheme to settle East Pakistan displaced persons in Madhya Pradesh has since been finalised, and

(b) if so, the nature thereof?

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): (a) and (b). A scheme for the rehabilitation of 1,242 families at Dharmarjaigarh and Ambikapur in Madhya Pradesh has been sanctioned. 814 families have already moved to the sites of rehabilitation. The remaining families are likely to be moved shortly.

Documentaries and Newsreels

389. Shri E. M. Rao: Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the number of documentaries and newsreels produced during the years 1956 and 1957 by the Films Division;

(b) the number of them released for exhibition during those years;

(c) the number among these which are in English, Hindi, Tamil, Bengali and Telugu, and

(d) whether any of those produced in 1957 had international recognition?

The Minister of Information and Broadcasting (Dr. Keskar): (a) to (c) A statement is placed on the Table of the Lok Sabha [*See* Appendix II annexure No 57]

(d) Films of 1956 which were exhibited in 1957 won awards as shown in the statement Films of 1957 can be entered only in 1958 expositions

Onions

390 **Shri Jadhav** Will the Minister of **Commerce and Industry** be pleased to state the production of the following varieties of onions in the Nasik District during the year 1957

(i) Pol,
(ii) Unhali, and
(iii) Rangdi?

The Minister of Commerce and Industry (Shri Morarji Desai): The information is being collected and will be laid on the Table of the Lok Sabha as soon as possible

PAPERS LAID ON THE TABLE

STATEMENT OF CASES IN WHICH LOWEST TENDERS HAVE NOT BEEN ACCEPTED BY INDIA STORE DEPARTMENT

The Minister of Works, Housing and Supply (Shri K. C. Reddy): I beg to lay on the Table a copy of the statement of cases in which lowest tenders have not been accepted by the India Store Department, London, during the half year ended the 31st December, 1957 [*Placed in Library See* No. LT535/58]

ANNUAL REPORT OF THE HINDUSTAN ANTIBIOTICS (PRIVATE) LTD,

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): I beg to lay on the Table, under subsection (1) of section 639 of the Companies Act, 1956, a copy of the Annual Report of the Hindustan Antibiotics (Private) Ltd, along with the Audited Accounts for the year 1956-57 [*Placed in Library See* No LT536/58]

NOTIFICATION ISSUED UNDER THE COMPANIES ACT

Shri Satish Chandra: I beg to lay on the Table, under sub-section (3) of section 641 of the Companies Act, 1956, a copy of Notification No S R O 26 dated the 4th January, 1958, making certain alterations in Part I of Schedule V of the Act [*Placed in Library See* No LT537/58]

MESSAGE FROM RAJYA SABHA

Secretary Sir, I have to report the following message received from the Secretary of Rajya Sabha —

> "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 18th February, 1958 agreed without any amendment to the Requisitioning and Acquisition of Immovable Property (Amendment) Bill, 1958, which was passed by the Lok Sabha at its sitting held on the 11th February, 1958"

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

ARREST OF FIVE PAKISTANI SABOTEURS AT URI IN KASHMIR

Shri Raghunath Singh (Varanasi): Under rule 191, I beg to call the attention of the Prime Minister to the following matter of urgent public

[Shri Raghunath Singh.]

importance and I request that he may make a statement thereon:—

"Arrest of five Pakistani saboteurs at Uri in Kashmir."

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): Five persons were arrested by the Jammu and Kashmir Police on February 11, 1958, at Uri. One of these persons is the brother of a well-known Pakistan agent living on the other side of the cease-fire line. The arrested persons have admitted functioning as links of Pakistan Intelligence. As interrogation is in progress, it is not possible to give further details at present.

I gave the House on 13th September last year some details of the bomb explosions and the movement of sabotage, violence and subversion assisted and directed from Pakistan.

Since the middle of June last year, there have been 38 cases of bomb explosions, 13 in Kashmir and 25 in Jammu. In addition, there have been 20 cases in which explosive articles like gun cotton slabs, booby traps and hand grenades have been recovered.

Thanks to the vigilance of the authorities and the close co-operation between the authorities and the people, the mischief done by saboteurs has been limited and loss of life has not been heavy. Six people were killed and 17 injured in these 38 explosions.

35 persons have been arrested in connection with bomb outrages and attempts of sabotage. Out of this, 10 persons are undergoing trial in Srinagar in the Srinagar bomb case. In Jammu Province three persons are being tried and the trial of two others will begin shortly.

The latest arrests at Uri show that though Pakistan agents and saboteurs are still active, their attempts at sabotage and subversion are being adequately dealt with by the authorities with co-operation of the people.

REPORT OF THE COMMISSION OF INQUIRY INTO THE AFFAIRS OF THE LIFE INSURANCE CORPORATION

The Prime Minister and Minister of External Affairs and Finance (Shri Jawaharlal Nehru): I beg to move:

"That the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India be taken into consideration".

Mr. Speaker, Sir, it is just about two months ago since this matter came into my ken when it was first raised in this House. I was not present in the House then or in Delhi. Since then naturally all of us have been much concerned and have followed developments from day to day. This has been a somewhat painful ordeal for some of us, and these two months have made us saddar, a little older and perhaps a little wiser.

Shri Braj Raj Singh: (Firozabad): Question.

Shri Jawaharlal Nehru: But that experience or a little bit of wisdom has been purchased at a fairly considerable cost, for it has cost us the services of an able and distinguished Finance Minister at a time when they were most needed.

Let me say, however, at the very outset that whatever the penalties that we or others have paid or may suffer, this inquiry has demonstrated to India and to the world the democratic way we function. It has established the dignity and majesty of this Parliament, and of the procedures we follow in maintaining high standards of public life and administration. That is a great gain and an example to be remembered by all of us in India.

In accordance with parliamentary procedure, this House heard yesterday a statement on the resignation of Shri T. T. Krishnamachari. He has resigned and paid the penalty for what had happened and so far as this House is concerned, there is nothing more to be said about it.

In the course of this inquiry, much has been said about public ownership as opposed to private ownership, about nationalised Life Insurance Corporation as opposed to private insurance companies, about civil servants or businessmen in charge of large undertakings. Not only some witnesses but the public press have discussed this matter and some individuals have expressed their opinion about the failings of nationalisation. This was not a question for enquiry before the Commission. However, it is good, I think, that these facts have come out before the public.

I do not remember any such criticisms being made of the serious failures of a number of well-known private insurance companies. Apparently, such failures of private concerns were almost taken for granted and required no particular comment. It might be remembered that one of the principal reasons for nationalising the life insurance was the fact of such failures and the gross mismanagement of such companies. They were not managed or controlled by civil servants; businessmen were in charge of them. I am mentioning this so that we might consider these matters in proper perspective, and not in any way to slur over or to try to minimise the events that took place in connection with the purchase of certain shares by the Life Insurance Corporation, which have been the subject of enquiry.

One thing I should like to mention here, and that is that the Life Insurance Corporation has been doing rather well in recent months and it is, I believe, transacting far greater business than it has ever done before. After the initial few months, which were taken up in problems of reorganisation, when the quantum of business fell, it has made rapid progress. The amount of business done by the various life insurance companies, which have now been brought under the umbrella of the Corporation, in 1955 was Rs. 258 crores. Then came the change and there was a great deal of disorganisation due to the change. So, in 1956 this business went down to Rs. 200 crores, that is, Rs. 58 crores less. In 1957, that is last year, it jumped up to Rs. 273 crores. That is to say, not only did it make up quickly the loss owing to disorganisation, but went considerably ahead of the previous peak figure.

So, judging from this, one would say broadly that the Life Insurance Corporation has done remarkably well, and that the officers who run it deserve credit for the way they have done it. That does not mean, of course, that we should not pay adequate attention to any wrong thing done, or that this record of good work justifies any wrong. But it does help us to look at this matter in perspective and to judge any individual case as an individual case, and not in large terms of generalisation about nationalisation or not.

Now, before I proceed very much further, I should like to say right now, on behalf of the Government, that we are of the opinion that the transaction resulting in the purchase of shares of the six companies was not entered into in accordance with business principles. I am also opposed to its propriety on several grounds. We accept, therefore, the Commission's findings in regard to this transaction. A major part of the Commission's report deals with this matter.

Also, I should like to say, as the Chairman of the Commission remarked in the course of the inquiry, there are several facts in this for which I have no explanation, and even the inquiry has not elicited all the facts which would enable us to form a clear opinion in regard to a number of these factors. Why the normal

[Shri Jawaharlal Nehru]

precautions were not taken in buying the shares and in fixing the prices and why the Investment Committee was not consulted, and why the prices of the transactions raised no protest, I fail to understand all this. It has still remained obscure. Whether it is possible to elicit further information now or in the future, we do not know. But, an attempt would certainly be made and perhaps we may be in a better position to understand one of these strange developments then.

A number of officers of Government, or of the Corporation, are concerned in some way or other with these transactions. We feel that insofar as the officers responsible for putting through these transactions are concerned, appropriate proceedings on the basis of the findings of the Commission should be initiated.

But, I should like to remind the House that while that is necessary and should be done, it is not right for us to come to final conclusions in regard to people who are not here to answer or to defend themselves There are procedures laid down for this purpose and they should be followed. It has been a convention of this House—and it is a right convention—that no decision should be arrived at and no one should be condemned, who is not given an opportunity to defend himself That is specially so in regard to public servants.

It is even more necessary to remember that if an individual is held responsible, it does not follow that the whole group of persons are at fault or are to be condemned. It would be a bad day if we generalise from a particular case, more especially in regard to the body of civil servants.

I should like to say that I consider the great majority of senior civil officers serving in India as a body of men and women of high ability and integrity, who have served their country well. I have been connected with many of them personally since the responsibility of Government fell on our shoulders. I cannot say, of course, that everyone of them is able or of high integrity, but as a group, I am sure, they can be compared to their advantage with any similar group in any part of the world; and I am grateful to them for the work they have done.

They had to face a new situation and new types of work. They have done their utmost, often with success, to adapt themselves to this new situation. Our work has grown enormously and our fields of activity have spread More and more we have become a State, engaged in social and industrial undertakings. I cannot say that all is well everywhere; but we are constantly trying to bring about a greater efficiency and higher standards of work and of integrity.

I should like to say here that in the course of the inquiry, though not in the report itself, mention was made of some persons wholly unconnected with these transactions in a way that might be disadvantageous to them and to the positions they occupy. In this way, the Governor of the Reserve Bank was mentioned. He was entirely unconcerned with this purchase, and I regret that anything should have been said which reflects on a man of high integrity and ability who occupies a position of great responsibility.

In this inquiry a question has been raised about the employment of officials of the Civil Service in our nationalised undertakings and our big projects It has been suggested that businessmen of experience would be more suitable. I would welcome businessmen or other non-officials, if they have the ability and integrity that is required for such responsible posts. But there is another consideration to be borne in mind. A person serving in a nationalised undertaking should agree with the objective of nationalisation and of State control. A person who is opposed to it will find it difficult to fit in. It is interesting to remember also that quite a number of our senior civil servants, after retiring from service, on reaching the age of retirement, have been offered and have accepted high posts in private business and are then supposed to be experienced businessmen. They are paid much more than, of course, what they were paid while in service.

Shri Nath Pai (Rajapur): That is for services they rendered while they were in office. (*Interruption*).

Shri Jawaharlal Nehru: Hon. Members opposite have very special sources of information which have nothing to do with reality and fact. They live in a world of imagination and make statements without the slightest foundation. If there is anything, let them bring up the facts. It is no good making generalisations.

Shri Nath Pai: They have been brought to the notice of the Government more than once.

Shri Jawaharlal Nehru: I am merely saying that generalisations of this type are no good. May I enquire why then senior officials who have been retired are in office in international organisations in India, in Europe, in America and all over the place? Because they were considered good enough for that.

Acharya Kripalani: (Sitamarhi): Is not the Prime Minister himself guilty of generalisation from a few cases?

Mr. Speaker: He was only answering what was said here by way of generalisation.

Shri Nath Pai: That was only with regard to the private employment. We accept they have integrity. We do not dispute that part of the statement.

Mr. Speaker: The hon. Members will have an opportunity to speak. The debate is not closing now.

Shri Jawaharlal Nehru: I do not wish to enter into an argument because these are side issues. But, they have become important issues because unfortunately all kinds of charges and insinuations are flung about in the press, in the lobbies of Parliament.

Shri Surendranath Dwivedy (Kendrapara): Rightly sometimes so.

Shri Jawaharlal Nehru: The hon. Member says, insinuations are rightly flung about. That is unfortunately the way of some Members of the Opposition; I hope not of all. Because, I have high regard for many Members of the Opposition.

Shri Jaipal Singh: (Ranchi West-Reserved-Sch. Tribes): May I ask, on a point of order, is it correct for the Leader of the House to tell us what happens in the lobbies?

Shri Jawaharlal Nehru: If I may say so, I myself do not frequent the lobby as much as many others. But reports do reach me and I am amazed at the kind of insinuations and charges made there which, I should say, I do not mind their being made publicly if they can be dealt with. It is unfortunate that this kind of thing is said outside and it spreads like bad gossip and scandal from mouth to mouth and ear to ear

Mr. Speaker: Sometimes newspaper report what they do not hear in the lobby as lobby correspondents.

Shri Jawaharlal Nenru: There is one rather interesting fact in regard to the Life Insurance Corporation, that the person chiefly and most intimately concerned with the question of investment, the particular matter that arises here, was and is a person who is considered an old experienced businessman. He is not a civil servant. He has had experience over a generation. I do not know how long, in one of the biggest life insurance companies previously.

Acharya Kripalani: He was paralysed.

Shri Jawaharlal Nehru: I know; unfortunately businessmen get paralysed when they have to function adequately.

This talk about public servants and businessmen in this connection requires much greater examination than has perhaps been accorded to it. The fact of the mater is that we should naturally search for and employ the best men for the job whether they are public servants, non-officials or businessmen, whatever they may be. As our work increases and the demand for high class and trained men with experience grows greater and greater, we are finding it very difficult to find the right kind of men.

That is a matter which has been considered repeatedly by the Planning Commission. Hon. Members, if they read the Second Plan report, will find a good deal said about it, that is, how to train in-sufficient numbers people to occupy these high posts if we could get them. In that, we have further stated that it is not merely training from the bottom up, but taking a young businessman if he is good, into service and giving him special training or training our civil servants in a special way. In other words, we have left the door open to get people and give them training and experience and thus prepare them for the larger responsibilities that are coming our way.

Then, the question has arisen as to what part the Government should take in the working of an autonomous corporation. Obviously, this requires earnestly consideration. The Commission has recommended certain principles. We shall certainly examine their recommendation in regard to these principles very carefully. Broadly speaking, we agree that autonomous corporations should have autonomy subject naturally to such limitations as may be prescribed.

Let us, however, look at the Act which gave birth to the Life Insurance Corporation. It should be remembered that the entire capital of the Corporation has been found by the Government. According to the Act, the Government has the right to appoint the entire Board, the right to lay down the rules, the right to approve the regulations that may be made by the Corporation itself and the right even to wind-up the Corporation. Thus, although the Corporation was meant to be independent and autonomous in its day to day functioning a machinery was provided for the Government to give guidance to the Corporation in various ways. Parliament in its wisdom imposed upon the Government the responsibility that this business should be properly conducted through a Corporation and authorised the Government to give directives when they found such necessary.

Shri C. D. Deshmukh, the then Finance Minister, stated in the Lok Sabha on the 18th May, 1956 that there is the further safeguard that the Central Government has the right to give directions to the Corporation in the matter of investment. Investment does mean not only investment generally but specific investments. To lay down as a principle, therefore, that the Government must keep aloof from the Corporation completely would be to challenge the decision of Parliament.

Having made this point clear, I should like to add that we entirely agree that an autonomous corporation should not be generally interfered with. Indeed, it is our belief that there must be more and more devolution of power and authority subject to certain safeguards. No complicated system of Government can work if it is too centralised. Even in our other departments of Government, we are moving towards greater decentralisation.

This inquiry has raised very novel questions. Indeed, it is not in India only, but also in the United Kingdom that similar questions have arisen in regard to a recent inquiry called the Bank Rate inquiry

After that inquiry was over, many doubts were expressed as to the proper mode of a public inquiry in such cases. It is, I believe, the practice in inquiries in England to hand over the case to the Treasury Solicitor and he is given the assistance of the Chief of Police to make investigations. Upon the investigations being completed, all the information is put before the Inquiry Commission The Commission does not, as a rule, take part in the examination of witnesses, but leaves it to the Attorney-General who is furnished with statements obtained by the Treasury Solicitor. The Attorney-General conducts both the examination and the cross-examination and in doing so and presenting the case, he acts only in the interest of bringing out facts.

It may interest the House if I quote from a leading article in regard to these matters which appeared in the London *Times*. I shall read some extracts from it only. There were, in fact, two or three articles on this because the matter exercised British opinion greatly, as indeed here in India this particular inquiry has exercised Indian opinion. Of course, the two inquiries are not of the same type; the matters involved are not the same. Nevertheless, there is a certain similarity, and the same questions have arisen

I should like to say why I am explaining this, because it really is a matter for the future, not for the past. The other day I stated elsewhere that the method of inquiry was not very satisfactory. Some people thought that I was criticising the Chairman of the Commission. It was far from my thought. I was not criticising the Chairman at all, but rather the whole approach. The fault really and principally lay with us in not thinking this matter out beforehand. As a matter of fact, if I may say so with some hesitation and in all confidence, we were hustled by Parliament (*Interruptions*).

Shri Goray (Poona): That is very obvious.

Shri Nath Pai: We should do it more often.

Shri Jawaharlal Nehru: Parliament did not order us. What I mean to say is that it was Parliament's eagerness, a very legitimate eagerness—I am not denying that. We are asked—even now I believe there are questions in the Order Paper—did some Members of the Cabinet want to delay the inquiry? Did they want to postpone it? With this kind of atmosphere surrounding us, we must take action immediately, and of course, we were anxious. From the very first day, we were anxious to have a full inquiry to elicit all the facts and take steps. But we were not quite clear as to the best way of doing it, and because of our lack of prescience or lack of thought given to it, difficulties arose, as they arose in England in a different context.

Therefore, It was not in criticism, certainly not of the very eminent Judge who presided over this, that I said that. Rather it is for us to consider, for Parliament to consider at a later stage—and for Government to keep in mind—as to what type of procedure we should follow.

Now, quoting from this newspaper, it said that 'the whole question of the propriety of the whole tribunal procedure from its first origins in Parliament has come up before us, and what happened in the method that is adopted, what happened from a certain date always has caused considerable misgivings'. Again another point—'The first doubts concerned the question asked about a certain gentleman. In view of the categorical statements made by Mr. Wilson and Sir Leslie Palmer, that these questions were not intended to convey any allegation against him, it must certainly be wondered whether the way in which the questions were framed was proper, more especially......'—Then it referred to some particular question whether Mr. Thorneycroft did or did not do something.—'should questions be asked in Parliament carrying innuendo of this kind.'

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Then it goes on to say that 'the question has even arisen whether there should be some kind of restriction on the privilege of Members of Parliament', but comes to the conclusion that 'this would be undesirable. Even though the privilege may be misused, it is important to keep that privilege intact'—something with which I entirely agree. 'It is Parliament's duty, however, to do what it can to discourage Members from abusing that freedom.'

Then it goes on—'Possibly, the recent episode may tempt some Members on both sides in Parliament to indulge in exploratory innuendo as a harassing tactic'. (*Interruptions*)

Then another difficult question arose, that 'before referring the matter to a regular Inquiry Commission, is it to be inquired into in a smaller way? If so, will that smaller inquiry be public or private?' All kinds of questions are considered. 'If a public inquiry is decided upon, is the tribunal, the child of the 1921 Act, the right body? Clearly, Parliament itself cannot conduct such an inquiry. The next alternative is the Select Committee. The last time a Select Committee was used for an inquiry at all comparable with this, the Members divided strictly on party lines, and this was only one of the many bad features which prompted the 1921 Act as a remedy. Though this Act was hasty, its principle of referring such matters to an independent judicial body with the powers of the High Court seems unquestionably right'.

'The 1921 Act, however, did not provide at all for the membership of a tribunal or their proceedings, and both have evolved by experiment.' 'After two Members of Parliament had taken opposite views as members of a tribunal in 1928, the membership was thereafter confined to the legal world. This has worked much better'.

'As regards the procedure, upto and including the budget leak inquiry of 1936, the tribunal did their own inquiry. The Attorney-General confined himself to summarising evidence and to taking witnesses through their statements, while the cross-examination was done by the tribunal themselves' 'However, the 1936 tribunal complained that the testing of the witnesses' stories by way of cross-examination or otherwise by the tribunal might have created the impression that they were from the start hostile to some of the witnesses who appeared before them. From that arose the practice of the Attorney-General stating the case in more pointed terms and himself conducting the cross-examination. But this change may have undesirable consequences of its own. The Attorney-General starts, with a role which, to the laymen's eye, is one of hostility Being himself a member of a Party Government, but acting in a non-party capacity, he must take special pains, so it is suggested, not to fall short in severity In the exercise of this severity, although the luckless people to whom every sort of impropriety seems to be imputed are constantly reminded that nobody is accused of anything, he is apt to make a long connected statement of the case which somebody has explained away without a corresponding opening statement being made by that somebody's counsel Further, the increased need for those involved to be represented by counsel imposes a huge expense which few private people can reasonably bear'.

I need not read all. The first thing is that such an inquiry should not be instituted without sufficient cause and without adequate preliminary inquiry. I merely read this out to indicate how complicated questions arose in these matters, how they have arisen elsewhere—they have, in fact, arisen in different ways. It is not a question of criticising any particular procedure. It is, of course, not necessary for us to follow the British practice in this or any other matter. But since in many ways we do follow the British practice in Parliament, we can learn much from what has been done elsewhere and I certainly think, subject to further consideration that when such an occasion arises for the appointment of a Commission, some preliminary step should be taken and some preliminary investigation should be made to be placed before the Tribunal to help them.

There is another aspect of such inquiries. The inquiry, like any judicial procedure, must necessarily be conducted with great decorum and dignity and without public interference in it. Now, it is right and natural for the public to be greatly interested and for my part, I think as a rule public inquiries are better than private inquiries. But if, as was stated in fact elsewhere too, the whole atmosphere of the court becomes surcharged by public excitement and public exclamation and interference, it is not the normal atmosphere which one wants to prevail in a judicial court or in a like inquiry. As a matter of fact, I know that the Chairman of this Commission, Mr. Justice Chagla, was much distressed at what was happening in his court and protested many times about it, because it is embarrassing to the Judge or to the Presiding Officer of the Tribunal. It is exceedingly embarrassing to the witnesses who appear there and every effort should be made to prevent this kind of public excitement from overflowing into a court room.

Then, there are questions relating to ministerial responsibility, and like questions. They are important. Of course, they are hardly within the purview of the Inquiry Commission; they are really for Parliament to determine and usually such questions are matters of convention. I do not propose to go into this matter here except to say that we accept the broad principle of ministerial responsibility. But to say that the Minister is always responsible for all the actions of the officers working under him may take this much too far. May I say that this inquiry had obviously nothing to do with the broad principles of the policy of the Government. It is not for such inquiries to criticise, comment or object to the broad principles of policies which Parliament has laid down. But there has been so much reference in the Press and elsewhere about these broad policies and an attempt made to run down those broad policies because of this not only in regard to insurance, but even in regard generally to the public sector, that I feel it is necessary to state quite clearly and positively here that so far as Government's policies are concerned, in regard to the public sector, in regard to increasing the public sector, they hold completely; there is not a shadow of doubt in our minds that those policies are right and should be pursued and this particular matter has nothing to do with them.

Further, I have already stated that Government accept the Commission's findings to the effect that the transaction resulting in the purchase of shares of the six companies was not entered into in accordance with business principles and was also opposed to propriety on several grounds. Further, Government intend to initiate proper proceedings on the basis of the findings of the Commission in respect of the officers responsible for putting through the transaction. Government also intend to examine carefully certain principles recommended by the Commission for adoption by the Government and the Corporation.

I am placed in a slightly difficult position, because I have got up to move a resolution which I have placed before the House that this report be taken into consideration. That, of course, is not a matter which can be voted upon, unless we stop consideration. With your permission, at a later stage I propose to put forward a substantive resolution for

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this House to consider and adopt. That resolution runs as follows:

That for the original motion, the following be substituted, namely:—

> "This House, having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, approves of the statement made on behalf of Government that:
>
> (1) Government accept the Commission's findings to the effect that the transaction resulting in the purchase of shares of the six companies was not entered into in accordance with business principles and was also opposed to propriety on several grounds;
>
> (2) Government propose to initiate appropriate proceedings, on the basis of the findings of the Commission, in respect of the Officers responsible for putting through the transaction; and
>
> (3) Government propose to examine carefully the principles recommended by the Commission for adoption by Government and the Corporation."

Shri Surendranath Dwivedy: Is he not moving the original motion?

Mr. Speaker: Motion moved:

> "That the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India be taken into consideration."

Besides the substitute motion moved by the hon. Prime Minister, just now, I have received notices of 18 substitute motions. They come from the other side and this comes from the right side. I do not find any difference. (*Interruptions*). All that can be complained of is that they do not have sufficient notice of this motion. It will be circulated now. All those amendments or substitute motions given by the hon. Members here will be treated as substitute motions for that motion. Therefore, there would not be any difficulty at all except the question of notice and I waive notice.

Shrimati Renu Chakravartty (Basirhat): Am I to understand that the original motion is substituted by this and that is not moved, as it was originally moved by the Prime Minister?

Mr. Speaker: That was moved and this is substituted.

An Hon. Member: There is a conflict.

Shri Mohamed Imam (Chitaldrug): We want to table some amendments to this motion that has been made by the Prime Minister It is brought to our notice just now.

Mr. Speaker: The rules are here. Rule No. 342 says:

> "A motion that the policy or situation or statement or any other matter be taken into consideration shall not be put to the vote of the House, but the House shall proceed to discuss such matter immediately after the mover has concluded his speech and no further question shall be put at the conclusion of the debate at the appointed hour unless a member moves a substantive motion in appropriate terms to be approved by the Speaker and the vote of the House shall be taken on such motion."

I do not find that there is any limitation that the Mover shall not make a substitute motion. We have allowed a number of substitute motions from time to time on Bills. Government itself brings up substitute motions in the Select Committee; then later on here, they heed to representations made, and they themselves say: "This is the original clause; we want to amend it in accordance with the wishes of the various Members of Parliament." I have allowed on various occasions the hon. Mover of the Bill himself to move substitute motions or amendments to clauses in his own Bill.

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): May I suggest that there is a lacuna in this. The other day we had the same point where the Deputy-Speaker turned down a point of order that I had raised.

The Leader of the House rose to move a particular motion. Very well. Then, afterwards, towards the end, of it, he tells us he proposes to move another motion later on. The point is he must move that right now; otherwise, it is not before the House.

Mr. Speaker: He has moved:

Shri Jaipal Singh: He has not moved it yet.

Mr. Speaker: He has done so.

Shri Jaipal Singh: Now he is doing, but he said he proposed to move it later on.

Mr. Speaker: He has moved it. I am afraid the hon. Member ignored the later portion; he was more attentive to the earlier portion than to the later.

Hon. Members would have noticed that the hon. Prime Minister read the original motion. The report might have been taken into consideration. The Government having considered so on and so on, want to have this motion carried by the House, or generally, they may say as they have said so originally that the report be taken into consideration.

Now, he wanted that the report should be taken into consideration, and subsequently, in the end, he read out that for the original motion the following be substituted, *viz* .... I have circulated copies of this substitute motion.

Shri Jaipal Singh: He must have permission of the House to withdraw his original motion, before he can move the substitute motion.

Mr. Speaker: It is not necessary.

Shri A. K. Gopalan (Kasergod): We have given substitute motions on the basis of the motion that the report be taken into consideration. Now there is a change. Will we be allowed to make some amendments to the substitute motion?

Shri Bimal Ghose (Barrackpore): Would you refer to rule 339 which says that a member who has made a motion may withdraw the same by leave of the House. We want to know whether the Prime Minister has moved the original motion or not.

Mr. Speaker: He no doubt moved a motion, then he moved another motion which I have allowed to be moved. Now, therefore, this will be the substitute motion that will be placed before the House. (*Interruption*).

Shri Bimal Ghose: *rose*—

Mr. Speaker: Order, order. I have allowed an amount of indulgence to this hon. Member. I have heard him. There must be some end to it.

The original motion was moved. Subsequently the Government thought that they must come forward with a certain specific motion. They have given a substitute motion. I do not see what impropriety there is.

Hon. Members may have noticed that as long as I have been here, for these eight years, I have not been standing merely on formalities and technicalities The substance of a particular matter ought to be allowed to go through.

I agree with Shri Gopalan. I will certainly allow, if the substitute motions tabled by hon. Members on the other side do not fit in with this substitute motion moved by the hon. Prime Minister, hon. Members to make suitable modifications to them, and if they want their substitute motions to the original motion to be treated as substitute motions to the substitute motion moved by the hon. Prime Minister, I shall do so, and I will allow also such modifications as

[Mr. Speaker]

may be necessary. They may take their time. We are not concluding the debate today. Of course, during the course of the day they can give notice.

Therefore, with all this latitude we shall proceed, and I shall place the substitute motion before the House.

Shri M. R. Masani (Ranchi—East): Do I understand you to mean that a new amendment to the new motion before the House will also be in order?

Some Hon. Members: Yes.

Shri M. R. Masani: May I point out that the new motion brings new matter before the House, and it is only fair that amendments to that motion may now be in order?

Mr. Speaker: I will certainly allow all these amendments which arise out of the substitute motion, but not those not at all contemplated before; I will not allow an hon. Member to take this opportunity to bring in something new which does not arise out of the substitute motion.

Motion moved:

That for the original motion, the following be substituted, namely:—

"This House, having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, approves of the statement made on behalf of Government that:

(1) Government accept the Commission's findings to the effect that the transaction resulting in the purchase of shares of the six companies was not entered into in accordance with business principles and was also opposed to propriety on several grounds;

(2) Government propose to initiate appropriate proceedings, on the basis of the findings of the Commission, in respect of the Officers responsible for putting through the transaction; and

(3) Government propose to examine carefully the principles recommended by the Commission for adoption by Government and the Corporation."

Regarding the time, I would like to state that there are a large number of substitute motions to the original motion, and to this motion, *i.e.*, all substitute motions, if the hon. Members agree, will be treated as substitute motions to this motion.

Hon. Members may hand over at the table the numbers of the Selected motions which they propose to move. I shall treat them as moved, as substitute motions for this, unless they want to move other amendments to their own substitute motions. The Members who hand over the numbers must be present in the House.

The time-limit for speeches will, as usual, be 15 minutes for Members including Movers of substitute motions, and 20 to 30 minutes, if necessary, for leaders of groups.

As hon. Members are aware, the House will sit up to 6 p.m. today.

Shrimati Renu Chakravartty: On a point of clarification. I want to find out whether we have to hand in the numbers of the amendments immediately or tomorrow.

Mr. Speaker: Hon. Member was a Member of the Business Advisory Committee. We have only two hours tomorrow. What is the meaning of handing over tomorrow?

Shrimati Renu Chakravartty: Because you have just said that we can move amendments to our substitute motions, we want to know whether we should do it just now, or we will get time to move them later on.

Mr. Speaker: "Later on" is not tomorrow—it is "during the course of the day". Shri Dange.

Shri S. A. Dange (Bombay City—Central): The Prime Minister, when he opened the discussion, made certain observations which illustrate to us what has been the net result of this inquiry. The observations made, the original motion put forward which is absolutely vague, and the amendment that comes forward immediately after the original motion moved—all this shows what a terrific confusion and contradiction exists in the ranks of the Government. They did not know whether to go before the public accepting the findings; then they see that it will not do good to themselves and their health, and they change their minds; and all that is reflected in the last half hour's discussion about substitute motions and amendments and so on. And it is quite natural that there should be confusion, that there should be, in fact, panic, and that there should be sadness accompanied by a self-congratulatory speech that we are a great democracy, and that we are certainly far better than other sinners; we sin less than other countries. That is the conclusion One can congratulate oneself, if he likes, on being a smaller sinner while others are big sinners. But that does not lead us to the right conclusion.

Therefore, I would like to help the House in looking at the matter in a more realistic manner. It is not a question of bringing in false accusations or generalisations or in general damning the Government or in general damning the ruling party. That is not the point. The point is that from the things which have happened, correct conclusions are not yet being drawn.

See the way in which things are being discussed. There was a debate in December on this question. Government took one month to appoint an enquiry Commission. The Prime Minister says, perhaps, the Parliament hustled Government. Is that correct? There was one month to consider the whole problem, and to appoint a commission. The terms of reference were discussed by the Finance Minister in consultation with the Attorney-General, and perhaps in consultation with other Ministers. Maybe, according to the rate and speed of governmental functioning, one month was not enough, and maybe, it was hustling.

13 hrs.

Shri Jawaharlal Nehru: Not one month I am sorry to interrupt the hon. Member. The hon. Member's timing is not correct.

Some Hon. Members: Twenty days.

Shri Nath Pai: The debate was over by the 17th December, 1957, and you appointed the commission on the 7th January, 1958.

Shri S. A. Dange: All right. Twenty days. You can reduce it to ten days I have no objection. I am coming to the real question later on. It is not such a hustling as it seems Now, here the commission was appointed But on the day when this question was brought up in this House, what was the attitude of Government? It was to deny everything and to say that maybe, something has happened, we will look into it and so on. And a tremendous pressure including the pressure from the Congressmen themselves was needed in order to make Government accept the demand for the appointment of a commission.

An Hon. Member: Only from Congress Benches. (*Interruptions*).

Shri S. A. Dange: Are you ashamed of this pressure? No, I do not think so. You did good; it is good that the Congress Benches also joined in the Demand.

Some Hon. Members: No, no. (*Interruptions*).

Shri Tyagi (Dehra Dun): They initiated the debate.

Shri S. A. Dange: I thought Shri Feroze Gandhi was a Member from the Congress Benches.

Some Hon. Members: Yes.

Shri Tyagi: And he had initiated the debate.

Shri S. A. Dange: That can be excused. You can deny because many things are being denied now, because the skeletons in the cupboards are getting out one by one. So, naturally, there is confusion and denials are there. However, at that very point, there was resistance to the appointment of a commission. But Government knew that the matter was serious, and they agreed to a commission. In fact, I would have been prepared to congratulate Government on agreeing to appoint a commission with a judge like Chief Justice Chagla. Certainly, Government should have deserved congratulations, but should they get them? The way they started looking at the conclusions shows that after appointing the commission, when they saw how things were moving, they repented about the appointment..

Some Hon. Members: No.

Shri S. A. Dange: ....and started detracting from the conclusions. And it was an astounding thing to hear, before the matter came up before the House, the Prime Minister passing judgements, giving certificates to officials and to people saying that there was no corruption involved; certainly, handing over Rs. 80 lakhs of public funds to a well-known fraudulent speculator was the highest kind of morality that was shown in the ranks of the officers who dealt with it; it was not a case of corruption at all. And I am quite sure, we should not be surprised later on, if Shri H. M. Patel and the officials were to get a title next year, of Padma Vibhushana or Bharat Ratna. It has become a habit. I am sorry, either in his magnanimity or in his blindness to reality, the Prime Minister develops a habit of sheltering people whom he should not and hitting at people whom he should not. The result is the confusion that is being seen in the debate and even in the remarks which he was making. He accepts the findings that the transaction was wrong, and yet, he says that the officers were good, they were honest, they were not corrupt, and they have to be congratulated.

And he singled out one Governor of the Reserve Bank for a special certificate that he is not at all concerned. So far as the Finance Minister was concerned, he was the least concerned. Then we should like to know who was concerned; not the Finance Minister, not the Principal Secretary, not the Governor of the Reserve Bank, not the Chairman of the State Bank, not the president of the Stock exchange, and not the Cabinet; then, who was concerned? Only one person, Mr. Mundhra. He was the man who somehow or other inveigled people and ran away with Rs. 80 lakhs. And, of course, he was a great man. In fact, he himself claims that he was just following the foot-steps of the Prime Minister. (*Interruptions*). He was trying to build an empire. And building an empire is not a special virtue of Mr Mundhra; building such empires is the virtue of all the big monopolists that are still rampant. One Mundhra has been found. But others also still exist in the world of monopoly capital. Let us remember that.

The matter does not end there. You may detract from the conclusions; you may run down the method. In fact, there was a frowning at the installation of loudspeakers, and it was said: 'Why were people allowed to hear the whole thing? It was going to be a public enquiry, but a public enquiry where no one should hear anything. That should have been the method. That should have been the approach.' We fail to understand that sort of criticism. The enquiry is there. Let the people hear. We must congratulate Mr. Chagla for making it so public. We should congratulate the public of Bombay on their political consciousness, when in thousands they went to the court and they wanted to hear what was being done. Instead of congratulating the people, congratulating the Chief Justice, and congratulating the way in which things were done, there comes the statement, no, the approach was wrong, the method was wrong; and later on, you deny and say, no, no, it is not a reflection on Mr. Chagla. What a confusion, one statement being contradicted by another? However, let us not deal with the confusion part any more.

The question is this. Why was this done? To my mind it seems that in this House, there have been references to many scandals before. The House knows it. There were references, I do not know, to how many scandals. In fact, it is rather difficult to make a list. It is presented as if this is only one scandal which has suddenly come upon the people, come upon Parliament and come upon Government, and they are surprised that such a thing did take place. No, that is not so. There was reference to many scandals in this House. There was the jeep scandal. It was suppressed. There was the fertiliser scandal. One or two officers were just prosecuted or something was done, and Shri T. T. Krishnamachari gave his parting kick with particular reference to this scandal. He said that the Minister at that time did not find it convenient to resign. Of course, he took the compliment for himself that like an honourable man he accepts and walks out, while the other gentleman who once becomes a Governor, and at another time a Cabinet Minister and a third time a petty lawyer who goes hawking about for defence cases against working classes, did not have the courage to resign when he was the Minister. The hit was right, and I congratulate Shri T. T. Krishanmachari for having given that hit, though both of them belong to the same Congress Party.

Then, there was the debate about the affairs of the Industrial Finance Corporation. There was resistance to giving names of those who took loans. It was found that the amiable gentlemen of the Industrial Finance Corporation were appropriating loans for their own concerns or for the concerns run by their brothers-in-law or sons-in-law. When the scandal came out, somebody resigned, and the whole thing was hushed up.

There was the Stores Purchase scandal also. There was somewhere, I think, a reference to the supply of defective vehicles to the Defence Department running into a bill of crores and the man who exposed it, a simple worker, is victimised and dismissed. And I do not know what has happened to these defective vehicles I am told they are being returned.

Things are going on; people do talk. People are asking questions. But what is the result? Questions are asked but ministers evade replies. They evade telling the truth and when the whole thing accumulated like a dead weight of heavy sins, this Government thought, let us face it out. They thought nothing much would come out of it. They said: You have mentioned so many scandals. Here we are appointing an Inquiry Commission for one. And, they were horrified to find that things came out which they did not expect to come out. Therefore, there was confusion; there was panic.

However, I want to say this that the concession to appoint a Commission was not so much due to a high sense of democracy. Things had accumulated too much and they wanted to let out a little steam and see if the whole thing could be covered up in a way But the Commission did reveal things they did not expect.

What did the Commission reveal? There was practically no reference here to the simple thing, the simple truth that is revealed in the inquiry—and all parts of the truth are not yet known—yet the truth that is revealed is so stinking that the whole world is talking about it. And, what is the truth? We should pay some attention to that.

[Shri S. A. Dange]

I do not want to go into the details of the case, but I want friends and hon. Members to see the essence of that. What is the essence of that? It is that fraud was discovered in insurance funds when it was in the private sector. I am told that some Dalmia was hauled up for that and something. Then, they nationalised it and they handed over the administration, the investing power, to those very people who opposed nationalisation. Mr. Vaidyanathan, the Chairman (*Several Hon. Members*: The Managing Director) of the LIC had compaigned against nationalisation. It was handed over to them and with what policy? That the funds shall be put at the disposal of the private sector as they were done before.

So, what was the net result? The net result was funds were taken over from the Dalmias and handed over to the Mundhras, once from the private sector and now from the public sector. This is the net result of the transfer from the private to the public sector. And, it illustrates the truth of the statement by the Prime Minister that there is no difference really in our economy between the public sector and the private sector. That is the truth. But the traffic is only one way traffic; funds go out from the public sector to the private but they never come from the private to the public sector. This is the way in which nationalisation is handled.

Was this policy correct? It was not correct. What was the importance of nationalisation? That small savings of poor people should be gathered together and put at the disposal of the Plan. When we ask bonus payments, we are told by the Ministry and the Government, to buy savings certificates, and not take cash. When people ask for higher wages, even in this Insurance Corporation, they are told: Do not ask for higher wages; save and lend to the Government. Yes; save and lend to the Government so that the Government can lend to Mundhras. That is the slogan. So, that is the policy! It was not the adopted policy of the Plan; and yet who changes the policy? It looks as if any Minister, any Finance Secretary, any Reserve Bank Governor can change the policy of the Government and change the policy of the Plan. Is that the way Government should function? That is the question we should all ask Government: Why such functioning takes place.

What was revealed is now made out as if it is a bolt from the blue. No, Sir. This thing happened because there is a certain method of functioning of the State machine. There is a certain method of Cabinet functioning; a certain method of functioning of the permanent bureaucracy and that method is the cause of this.

For example, it is said that the thing has come upon us suddenly. Is that so? It is on record from the Secretary of the Company Law Administration that the history of Mundhras was known to the Government since the year 1954. It is not merely June or December 1957. This is not a thing in which hustling has taken place in 20 days' time. The Government of India knew Mundhra since 1954. What were they doing; what were all the Ministries doing about this affair?

The Reserve Bank made a report against the Mundhras. What was the Government doing. There is a letter in July about these transactions. What did the Government do till December until the House brought it forth in the debate? Not only that. Who does not know that the omnipotent and omniscient Home Ministry, which can chase communist workers from railway departments and can find out who is walking with whom and with what politics could not find time to chase the Mundhras and find out what they were.

Is it a fact that they were not known? The Commerce Ministry has been concerned with the foreign exchange of the Mundhras and their concerns. What were they doing? What were all these Ministries doing? It is on record—in the Chagla Commission Report—that the Prime Minister himself knew it. It is no use simply hanging TTK for a sin for which he should suffer and did suffer. It is no use doing that.

Acharya Kripalani: Don't bother! he will come back.

Shri S. A. Dange: No, no; he will not come back.

It is on record that the Finance Ministry knew about the Mundhras in 1954. Mr. T. T. K. knew it in August 1955 when he was the Commerce Minister. Mr. Rama Rau, Governor of the Reserve Bank knew in February 1956 and reported to the Government. One Justice Tendulkar, when he was confronted with a petition from the Mundhras, put it on record that he was a dishonest man; and the Prime Minister himself wrote to the Ministry saying that there is a new star appearing, please watch it. And, the Ministry started watching it. And, they were soon dazzled by the star that they became its satellites and started moving round the star, and the star has landed them ultimately in a mess. When they became satellites, the result is bound to be a crash that we saw in December in the debate. Why were not steps taken? The Prime Minister also knew that the star required to be watched. Why was not that done?

After the June transactions, in September 1957, for a time when T. T. K. was out and the Prime Minister was acting as the Finance Minister, at that time, he got a file from the Finance Ministry on certain affairs—we do not know what those affairs were—and he writes on that: "I have no good opinion of this man; he has a bad reputation." He had no good opinion about the reputation of the man. He should have asked the other Ministers. We are yet to know what was the file on which the remark was made. Why did not the Prime Minister make a statement before the Chagla Commission on this? It was after the June transaction. There must be some explanation about it. It is recorded in the evidence before the Commission.

What I am going to say is this. There was a sort of hypnotism cast almost over every Ministry by this gentleman. Everybody knew about it and nobody would move about it. And they started running criss-cross with this man and that brought a crash. This is the picture that comes out. From 1954 till 1957, the whole picture is that every Ministry knows about it and yet nobody moves about it. And, when the thing did crash, even the June transactions did not come before the people, even when the Governor of the Reserve Bank and others reported in their July letter to the Finance Ministry, even when the Prime Minister knows from the files that were before him. This is the sort of paralysis that has crept over the governmental system for 4 years, when this man, a known fraudulent man, a gambler, a flambuoyant personality, a man who wants to build an empire of industry with no money in his pocket by speculating on the Stock Exchange goes on adventuring. For 4 years it goes on and yet no Ministry can do anything. What is the secret of this? What is the use of blaming the ICS or giving good certificates? The permanent bureaucracy was involved in it. Shri H. M. Patel is a brilliant man of this bureaucracy, but his brilliance went to the service of the Mundhras.

Who are the officers involved? The list is very interesting. There is Mr. Bhattacharya, there is Mr. Iyengar, there is of course T T K., then there is Mr. Kamat and then there is Mr. Chaturvedi. In this you will find that there is no difference of language, community or linguistic provinces. No difference of south or north or east or west. Every direction is equally represented—Bengal, Maharashtra, Gujrat, Tamil Nad and U.P. Every body is represented. They have acquired one very good understandable common language—the quotations

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of the stock exchange. It could be understood without any differences, of language or philosophy.

What are these men? They are the men who are the power behind the throne. Who rules us? Sometimes the Ministers, sometimes these gentlemen. Many of them are honest. I do not want to cast a reflection on the whole service as such. What is the system? T.T K. is asked a question From behind comes a pad and he says: 'I do not know what was written there'. Who is running the Government? Who is running the democracy? There is a wonderful and funny division of labour, between the ministers and the I C.S.

Even today you can illustrate it. T.T.K. went out. What about the Budget? Just as easily or with greater ease, the Prime Minister will get up and read the Budget. Who makes the Budget? We should like to know. What is the relation between the ICS service, the steel frame which we have inherited from the British and the democratic functioning of the Cabinet and the Parliament. Why has this happened?

Why could these ICS people be bamboozled? I do not want to say just now about their particular careers. But why are they taken in by the Mundhras? Because the State machine has tremendous faith in private capital. They are dazzled by the power of the monopolists It is not unnatural. If Mr. J. R. D. Tata or Mr. G. D. Birla or for that matter Mr. H. D. Mundhra walks into the office of an ICS Secretary, he is overwhelmed by the power of the millions, by this ownership of the sugar mills, textile mills, iron mills, railways and so on. There are ten directors controlling hundreds of crores of rupees of capital, 20 or 30 companies despite the new Companies Act. When these mighty capitalists, owners of finance capital, walk into the office, what can the poor Secretary do? Even the Ministers collapse. What to talk of the ICS.

They believe that the words of capital weigh more. Ministers and officials fling abuses at hunger strikers, on students' indiscipline. But what paralytic faith, what imbecile faith they show in these owners of millions of finance capital? What is their power?

I will remind the House of this. My friend, Shri Asoka Mehta, some ten years ago wrote a book *Who owns India?*. There you will get a description of this whole power of finance capital. It is this finance capital in the hands of private profiteers, buccaneers of the middle age, who annex now not pieces of land but huge blocks of capital and factories and mint millions, that owns India. This is the power that controls the Government and takes the policy in the wrong direction.

What is the source of evil? The source of evil is the power of private capital. Therefore, I agree with the Prime Minister that this scandal is not a reflection on the State sector. No. The solution is not to halt the growth of the State sector but to expand it.

Nationalise the banks. If you want to find out their frauds, the best key to them is the bank books. Yet the bank books are in their hands. The biggest banks are at their disposal. Nationalise the banks. Take over the Jessops Company. That is where the scandal started. You can read it. Jessops is a gold mine and there are many people who want to grab it. One fellow grabbed it and then others started informing on him. It is the rivalry among the powerful monopoly capitalists that has brought the truth out. When thieves quarrel, honest men come into their own. This is the example.

There are many hidden scandals and they are not known. Because, there they have a pact among themselves. When they fall out and quarrel, they inform against each other and then a very sorry spectacle started. One says that he is not responsible. The other says that he was not responsible. Everybody deserted everybody else and we were left with things as they were.

What should be the lesson and what should be the solution? This Government is under the influence of big business—including the Ministers and the I.C.S. officials. They sometimes take their lessons from the Ministers' directions or from the Ministers and sometimes they do it on their own. I had asked the Chagla Commission in my letter to ask one question: "Will you ask how many benami transactions were made in the last three years by all those who were connected directly or indirectly with several Ministries in this Government?" Of course, Mr. Chagla said that it was beyond his terms of reference. Now, will the Government do that?

The Government passed laws about corrupt officials. Will the Government make enquiries as to how many *'nouveau riche'* new millionaires had blossomed into power, owning millions of shares in various factories in the names of other people during the last ten years after they came into power. How many Ministries or Ministers and their friends have blossomed into new millionaires and by what methods?

Certainly if their private enterprise were honest, we should have no objection. But it is a matter for enquiry. The whole functioning of the Government is there. The Prime Minister referred to I.C.S. officials being taken over after retirement by businessmen in their service. That is supposed to be a certificate for the way they develop these officers as good businessmen. No, Sir. There are many officials of various Ministries who retire and are taken over by these businessmen so that they can give them advice in what expert way they could get licences and how their bills could be got sanctioned quickly. Bills are hidden in files. They remember their old friendship and their old school ties and these officers come back either on behalf of Tatas or on behalf of Birla or Mundhra and say: 'Let us have the bill quickly.' That is why they are taken back by these businessmen into their service, not because they have blossomed into very fine economists, or philosophers or efficient administrators. That is not the only thing. I should like to know why the other aspect is not mentioned: why the Government takes businessmen or their friends inside the Cabinet.

There is a two way traffic. Government servants go back to businessmen and businessmen come to Government. For instance, here is the balance-sheet of this very company about which there has been such a lot of discussion—Jessops. The Chagla Commission asked: "What was the driving force, motivating force? What was the haste?" The motivating force was the possession of Jessops. The driving force was the *badla* day that was coming—the crash of Mundhra and others. Anybody who knows the stock exchange could find out what was the haste.

In this Jessops, you have the example of the other way traffic—private businessmen coming into the Cabinet. The Directors' report of Jessops, signed by the managing directors, Mr. Satchell and Mr. Graham, dated 31st October, 1956 says: "Mr. A. K. Sen joined the board on 20th August, 1956 and retired on his appointment as Minister in the Central Government." It is a two-way traffic, not one-way traffic.

I do not at all allege anything. Let me be very clear. I am a frank speaker. I do not allege that Shri A. K. Sen the Law Minister was unconnected with this transaction. I am simply saying that the State machinery is relying on Capital, relying on the private sector, talking theoretically of socialism but really feeding private monopoly. That is how it functions, how Ministries are composed, how I.C.S. servants function. Therefore, you will pardon me, Sir, when I say that once again the old man from the grave has got to be quoted, however much you might dislike him, and that is Karl Marx. One hundred years ago he said: "What is the modern capitalist State? It is an

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executive committee to manage the affairs of the bourgeoisie." The Mundhra affair shows that modern State machine, I.C.S. officers, Ministers and others, all were managing the affairs of this Mundhra. He was crashing, wanted two crores. They took public money from the L.I.C. and handed it over to him, and when the thing burst everybody wants to run away from the stink. You cannot run away from the stink like that.

There was hesitation in accepting the report; there was hesitation in having a further probe. I am very glad to hear that the Prime Minister at last accepted finally the main recommendations. I am glad that they are going to probe. What I want to ask is this. Will they, for once, use that Presidential power under which they dismiss hundreds of railway workers without assigning any cause, against H. M. Patel? The Railway Ministry knows that the President of the Republic signs warrants: "You are dismissed; cause will not be assigned in the public interest." Will he dismiss at least one I.C.S. man? A very brilliant man, release him for using his brilliance further in the service, if not of Mundhra who is in jail, of somebody else.

On the previous day Mr. Mundhra gave an interview in which he said that he had paid Rs. 1 lakh to the Congress funds; the next day he finds himself in jail.

An Hon. Member: Not more?

Shri S. A. Dange: May be that statement also may be wrong. Who knows whether we could believe Mr. Mundhra or not; we do not know. In any case, there it is. Therefore, Sir, I would say that the State machine is revealed in all its glory of State enterprise in the service of private capital.

At the same time I want to fight the conclusion that nationalisation is bad. I agree with the Prime Minister that if scandals did exist in private concerns, they could not be debated in Parliament. That is the main advantage of State sector. Whether we agree or disagree with what is being done, we can debate them before the public; we can challenge the *bona fides* of what is being done. Therefore, it is one great advantage in having concerns in State sector. State sector does not stand condemned.

An Hon. Member: Advantage of parliamentary democracy also!

Shri S. A. Dange: Yes, advantage of parliamentary democracy also, if its conclusions are not to be denied, if it is consistently followed and its conclusions are not hurriedly denied by high men in power.

In conclusion what I would say is this. Let us study the way our State machine functions; let us study the way things are being influenced by private capital; let us study the power that is still wielded by them; let us find out how that power can be curtailed and finally abolished. Let us think of nationalising the big key concerns; let us think of taking over the Jessops in which we have already invested funds and let us take it over and nationalise it, because it is already running on orders from the Government.

Mr. T. T. K. has paid for his sins, whatever they may be, or they may not be. But he did tell the truth while he parted, and the truth was: beware, the man-eater is at large. I wish he had told the truth before he resigned. In fact, he accompanied the man-eater to America and to England, and helped it to secure aid and more blood. And having tasted blood the man-eater turned round and mauled him. In any case he survived and has given the lesson that powerful private vested interests are out to smash the development of the Plan, and especially the State sector. They are out to discredit the State sector; they are out to take possession of the public funds in the Plan, in order to enrich themselves and this man-eater has got to be watched. Well, I hope, Sir, Government will not watch it as they watched that new star rising and started going round it. I hope they will not have the ambition of thinking they can tame the man-eater and put it in the service of socialism.

No, Sir, the man-eater has got to be shot, and shot in the most non-violent way, if you like, but has got to be shot! The man-eater's claws have to be taken away and its poisonous fangs have got to be knocked out. What are the claws and what are the fangs? The power of capital, the power of banks, the power of ownership of vast textile mills, where they can do and undo things, where they can buy men, persons, morals and everything. This power of the man-eater has got to be curtailed and smashed. And I hope that in faithfulness to the principles which have been laid down by this House towards the development of socialism and democracy, these private vested interests, this power of finance capital will have to be smashed and the permanent bureaucracy, not all of them, but those who trip and fall a victim to it are taught the lessons that arise from this. I also want that Government does not sleep over scandals for years passing files from one Minister to another, that it does not disbelieve rumours that go in the newspapers or in the lobbies and scoff at these rumours as being inventions either of this party or that party and that they will take the correct lessons and cure themselves of the sin that they have committed.

Acharya Kripalani: Mr. Speaker, Sir, I agree with the Prime Minister when he says that the ordering of this inquiry has enhanced the reputation of the Government and of the Congress Party as also of the democracy in India. The Government did a very good thing in appointing a Judge of the High Court whose reputation for knowledge of constitution and common law is very great and who is known for his independence and for his impartiality.

However, Sir, the only flaw that appeared in the inquiry was injected by the Prime Minister himself. As the proceedings of the Commission proceeded and evidence by high officials was given, the Prime Minister became rather irritated; and when he gets irritated it does not take him long to show his irritation. Even while the inquiry was going on he showered praises upon the parties concerned. Then he fell foul of the public. He said they had shown a morbid interest in the proceedings and they did not behave with due dignity and decorum. We often give sermons to the people on dignity and decorum, but when we get annoyed or frustrated our dignity manifests itself in the manner in which it was manifested yesterday (by the ex-Finance Minister).

The Prime Minister also criticised the installation of the loudspeaker, which was not of the people's doing, but which was done by the Police for purposes of their own. Sir, I do not apologise for the way the crowd expressed its interest in this enquiry. But I would wish the Prime Minister to know the psychology behind it—and he is a great psychologist himself. For a long time the public have felt that the high-ups in the ministerial and administrative services, when they deal with large sums of public money, their deals have not always been on the square. There has often been talk of scandals in the Government. Also, Sir, people have seen that those, who talked and walked with them before independence, as soon as they come into power, show superciliousness and a kind of superiority and arrogance and they behave as if they were not the servants of the people but the masters of the people. Even so, the crowd behaved well enough in the beginning, but when they found that the evidence by the great ones was characterised by vagueness, equivocation, contradiction and even a convenient loss of memory, the public got, naturally, a kick out of it and they expressed their feeling in the only way that they knew. I make bold to say that any crowd in the West, with greater traditions of discipline, would have behaved worse.

But, Sir, this was not enough. As soon as the Commission's Report was

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out, the Prime Minister, in his letter accepting the resignation of the former Finance Minister, opined that "the manner of approach of the inquiry was hardly satisfactory. The inquiry was neither judicial nor capable of otherwise elucidating facts". Sir, I am happy to learn that the Prime Minister had no intention of suggesting that the learned judge had not brought a judicial mind to this delicate and difficult task. May we presume that the Prime Minister thought that the evidence did not sustain the conclusions to which Justice Chagla arrived. I am sure, Sir, if Justice Chagla had felt like that, he would have given the advantage of doubt to the parties concerned. Evidently, he felt, Sir, that there was sufficient evidence to come to his limited conclusions. He has not enquired into the motives that impelled so many people to have dealings with Mundhra of a doubtful character. His terms of reference were limited and these terms of reference were settled in consultation with the Finance Minister. But he felt that there was sufficient evidence to come to his limited conclusions which were limited by the terms of reference and by the fact that it was not a criminal case or a civil suit. Nonetheless, it was an inquiry of a judicial character and the conclusions were based upon documents and evidence. For everything that Justice Chagla has said in his report, he has quoted copiously from the evidence given before him and he has also quoted from undoubted documents.

Sir, it is common ground that the whole truth has not come out. It is common ground between the Commission, the Attorney-General and the Prime Minister, and, if I may say so, the public also. And why does Justice Chagla and the Government Advocate feel that the whole truth has not come out? It is very plain that they feel this because the witnesses—and the official witnesses especially—have not come out with all the truth. They are all clever men. We are satisfied about their cleverness from what the Finance Minister said yesterday and what the Prime Minister himself said today. I ask this: how could they have entered into such a deal without some motive? They are certainly not the people who lack intelligence. They are certainly not the people who lack experience. But the motive does not come out, and the learned judge could not go behind his terms of reference. So far as the Prime Minister is concerned, he has not made plain in what particular points the enquiry was defective. The Judge himself has said that it was not a criminal case with which he was dealing nor was it a civil suit, where there could be cross examination and re-examination and other methods used to sift the truth, that are used in criminal cases.

So, we do not know very much, but we know this much—and I am glad that the Prime Minister had admitted it—that there is sufficient evidence to show that certain not very creditable things were done and they were done in an irregular way. For instance, Sir, is there any doubt in anybody's mind that the intentions behind the nationalisation of the Life Insurance were not carried out by this deal? Has anybody any doubt what Shri Krishnamachari said about 'blue chips' has not been carried out, and also when he said that investments are made with a view to getting returns and making safe investments. Nobody, I suppose, ever doubts this. Sir, is there any doubt from a perusal of the evidence that proper forms of procedure laid down in the rules of the Corporation were not followed? The investment committee was not consulted. Section 27(a) of the Insurance Act was not applied. There was indecent hurry to close up this deal. Not only were the official forms not followed, but I claim that no forms at all, current to private business deals, were followed.

Was the investment sound and prudent? Nobody can say from the evidence that was placed before the Commission that the investment could be sound or prudent. After a few days it is admitted that Rs. 40 lakhs loss had already been suffered by the Corporation. By this time how many lakhs the Corporation has lost only the officials know.

What was then the intention of purchasing these shares? Was there really a crisis in the market? Sir, there was a depression. But in the evidence it does not come out that there was a crisis in the market.

Was there the necessary co-ordination that would be considered good in any administration? The last Finance Minister before his last assignment was a Minister for Commerce and Industry, and as such he has made some remarks about the character of Mr. Mundhra; but when he becomes a Finance Minister he absolutely forgets everything about Mr. Mundhra's past. Then, there is no co-ordination between the Finance Ministry, the Commerce Ministry and the Government banks. The banks have certain information which remains with them or is not taken advantage of by the Finance Ministry. Further, as our friend has already pointed out, and as I pointed out on a former occasion, even the information with the Prime Minister is either ignored or not taken advantage of by the Finance Ministry.

Then, was there any definite basis for fixation of prices? The efficiency of the administrators is praised. But I have yet to learn that an administrator can be efficient when he gives out of public funds to a private individual even more than what is asked by that individual. It passes one's comprehension how in several scrips the price paid to Mr. Mundhra was more than what Mr. Mundhra himself had asked for.

Again, Sir, this deal was a 'packet deal', and shares of all quality were lumped together, good, bad and indifferent. And, then, the deal was private. It was not negotiated through the brokers. It was negotiated with Mr. Mundhra, and there was a 'hush-hush' policy about it. When the officials were asked why they did not declare in the public that they had purchased so many shares they gave a very astounding reply. They said the market would have gone up. One would have thought that every purchaser of shares would want the market to go up so that the value of shares might be enhanced. Here these philanthropists do not want even the market to go up. This is something that is not done in private life, and what is not done in private life cannot be done in public life simply because the funds belong to the poor life insurance investor.

Then, Sir, there is a paralysis of all the officials. Of course, the Prime Minister has selected one officer and said that he had nothing to do with the deal, and that was the Governor of the Reserve Bank. But evidence is there that he was present at the time, on the 24th, when this deal was being finalised. He had in his office information about Mr. Mundhra's character that was not brought out. I do not know how the Prime Minister can single out the Governor of the Reserve Bank and make him immune from all responsibility.

Shri Nath Pai: To show that there is no conspiracy against Mr. Mundhra; that is the reason.

Acharya Kripalani: Now, Sir, I come to a very delicate point. It is delicate for me because from the time that Shri T. T Krishnamachari was the Commerce and Industry Minister I have been critical of his policies, and he has himself said that I was allergic to him to which I had replied that I was allergic to all supercilious persons and those who claim to know more than they actually know. I continue, Sir, to be allergic to such persons.

Mr. Speaker: He is no longer here.

Acharya Kripalani: I am very sorry for him, but what can I do? Sir, it is a public question. It was a question of the responsibility, and I think it is this question of responsibility that was

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oppressing the Prime Minister. Here was the case of one of his favourite Ministers, not favourite on account of any personal reasons but favourite because he thought that he was very efficient, that he was a very energetic, that he was very resourceful, that he was a very careful Minister. It is because of this that the remarks of the Prime Minister on the question of responsibility are made upon the manner and method of inquiry. Therefore, even if Shri T. T. Krishnamachari is not present here I am obliged to say something about it. I will say nothing about him more than what I have stated in this House before on several occasions in his presence, so much so that you, Sir, had the occasion to take out some of my remarks though they were only the repetition of the remarks he had made.

14 hrs.

There are three kinds of responsibility. First, the responsibility of the Minister to Parliament. Second, the responsibility that is constitutional of the Minister for the actions done by his subordinates in pursuance of his policy. Third, the personal responsibility—whether the orders emanated from him or whether he connived at them or whether he did not take action after having come to know that certain things had been done. That is the personal responsibility.

Now, let first me take the responsibility to Parliament. Let us see how the former Finance Minister performed his responsibility to the Parliament. It has been pointed out that there was an equivocal answer to Dr. Ram Subhag Singh's question put on the 4th September. I am sure the Minister would have known what information the hon. Member was asking for. It is not sufficient to say that the Minister is entitled to give only technical answers to information that is sought in this House by hon. Members. Maybe that trained as we are, not as the Ministers are trained, we might frame out questions defectively; but they (the Ministers) must come to our help and they must come to the help of the House and the public through the House by answering questions properly. Even the judge has said that the answer to Shri Ram Subhag Singh was an evasive answer.

Then the same Member asked again a question on the 29th November, and again the Minister replied, and it is seen that even up to the 29th November, the Finance Minister seems to have known nothing about what had happened. This question of Mundhra deal was agitating the commercial world and the public and yet when he gave his answer, this energetic, efficient and hard-working Minister, without proper preparation, without ascertaining facts. And it is said that he only quoted the answer that was written for him by the permanent officials. He said yesterday that he was so pressed with work, that he had to answer so many questions that he did not look to the answer that was prepared by the permanent servants, to this important question which had been agitating the public mind and which had been agitating the Members of Parliament.

Let us then examine his constitutional responsibility. It has been admitted by the Prime Minister, that this responsibility is there. But Shri Krishnamachari has added that it would be rather hard on the Minister if he should resign on every occasion. I do not suppose anyone of us, even the Members of the Opposition, want the Ministers to resign on any occasion; but not to resign on any occasion whatsoever would be dereliction of duty. I believe this was an occasion when the Finance Minister need not have waited for the Commission's report, but should have resigned at once. I am sure that if he had resigned at once, the confusion in the evidence would not have arisen. With the sword of the Finance Minister in office hanging over them, the officials who were paralysed into going into the Mundhra deal were also paralysed at the time of giving evidence. If the Finance Minister had not been there and if he had resigned, I am sure the truth about which we all complain would have come out.

I do not believe for a moment that *senior officers* were afraid of their colleague, this colleague who was the Principal Finance Secretary. And who made him Principal Finance Secretary? If, as I believe, I am right, it is Shri Krishnamachari who raised him to that position, who recreated this post which was abolished, and he was in his confidence. I refuse to believe that senior officials were terrorised because of this Principal Secretary. As a matter of fact they thought that he was behaving, as he was behaving, at the instance of the Finance Minister himself. Therefore, to say that this is not an occasion to resign is not correct. This was a special occasion. That it was a special occasion has been pointed out by the Prime Minister himself because of the interest that was shown by the public.

Then the Commission has gone on circumstantial evidence. I do not know if circumstantial evidence is not allowed even in criminal and civil cases. It would be impossible to detect any irregularity or crime unless the judge took some note of circumstantial evidence. Direct evidence cannot always be had; but here there is some direct evidence also of two officers. Not only that. There is a direct evidence from the Finance Minister himself. There was Mr. Raman's letter of July 6th, and then again Mr. Raman's letter of the 5th September. He is an officer of the Reserve Bank of India—a Research Officer. His note was kept before the Finance Minister. The Finance Minister sent a note to his Secretary and in that note he said: "The attached report from Mr. Raman does not make good reading. Can we do anything about it?" And yet, when after great difficulty, you allowed a mere one hour's debate on this question, the Finance Minister comes, not prepared with facts.

Mr. Speaker: What is that question about?

Acharya Kripalani: The original debate on the Life Insurance Corporation.

An Hon. Member: Two hours.

Mr. Speaker: I thought I gave something more.

Acharya Kripalani: I was not present on that occasion. I heard it was one hour's debate.

Dr. Ram Subhag Singh: Originally it was one hour. Later it was extended.

Acharya Kripalani: Anyhow, it does not matter. The Finance Minister talked most of the time.

Even at that time the Finance Minister was not posted with facts. He had not received them from his officers.

14.11 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Yesterday he made an astounding statement that he knew all the facts only when the Commission was enquiring. This is the efficiency the Finance Minister shows! He went on telling everyone of his officers that they should exercise care, and yet this is the care that he exercises. I think it is right to presume that he had some knowledge of the transaction. He says that afterwards he came to know of it. In that case, it was his duty to ask for a re-examination. It was his duty to give a note to the Commission.

Further, I am very sorry that he should have styled the private sector as consisting of man-eaters. I say with all the responsibility that these man-eaters were nourished most of all by the Finance Minister when he was the Minister of Commerce and Industry by indiscriminately giving them permits, which we are yet to redeem. It lies ill in the mouth of the

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Finance Minister to call these persons man-eaters. It is very ungraceful, because people that belong to this category of man-eaters have been uniformly praising him. It is not a sign of gratitude. It lies ill in his mouth to call the private sector as belonging to the man-eaters, because the Government has allowed it, with all its faults, to increase production.

Then again, the carcass rejected by these man-eaters goes to fill the pockets of the Congress party. If I may be excused for saying so, something of that mutiliated flesh may have gone into the general election expenditure of the Finance Minister also, moreover some of the man-eaters are in Congress ranks.

Mr. Deputy-Speaker: The hon. Member has to conclude now.

Acharya Kripalani: As one financial magnate told me, these man-eaters prosper by the help that they get from the administration.

Then, was it Mr. Mundhra who let the Finance Minister down? The Finance Minister had talked of these man-eaters as if he was a victim of Mr. Mundhra. He was a victim, if I may say so, of a great man-eater, who was in his own department. He was let down if at all by his Principal Finance Secretary. Is he right or his Principal Finance Secretary is right? He was not let down by Mundhra or any other capitalist shark. He was let down by a shark which he had nourished himself. It was the Secretary who let him down. If he did not let him down, then I can only say that they were let down by each other. Who is the bigger shark and who is the smaller shark, I do not know. But it is absurd to say that the Finance Minister was let down by Mr. Mundhra.

It is also wrong to say that the public sector has been maligned. The public sector has not been maligned. I agree with the Prime Minister when he said that it was only in the public sector that such an inquiry could be possible. If the inquiry has done anything, it has rather strengthened the public sector, and has damned the private sector, where people can make money and build industrial empires simply by manipulating the market, by manipulating the shares without doing a bit of industrial work. It is the private sector that stands most condemned. It is also condemned because it is the private sector that brings perversity even in the public sector and it gives inducements to it (public sector) to go wrong. Therefore, it is wrong to say that the public sector has been condemned by this inquiry. It is the private sector that stands more condemned.

Shri Ranga (Tenali): Mr. Deputy-Speaker, Sir, I am very glad that the Prime Minister has referred to the majesty of Parliament in the course of his speech today. It is the majesty of this Parliament which stands vindicated on this occasion. If anybody deserves congratulations more than anyone else, it is the Parliament, which has vindicated the faith placed in it by the people of this country during the last general elections.

I was rather a bit taken aback by the speech delivered by the leader of the Communist group, because he tried to turn it into a Government versus Opposition debate. But, actually, it ought to be treated as the debate of the whole House. It is the whole House which is interested in this particular affair. He made a factual mistake when he thought somehow or other that they took the initiative and when the Communist group asked for an inquiry, the Congress party was good enough to agree to that. That is not so. The facts are entirely different.

It was my hon. friend, Dr. Ram Subhag Singh, who took the initiative. He followed it up also by two Starred Questions on two different occasions, to which Justice Chagla has also referred. It was again my hon. friend,

Mr. Feroze Gandhi, who raised a two-hours' debate, and **Mr. Asoka Mehta** was good enough to join hands with him in strengthening the case of Parliament against the administration concerned with this particular deal.

Therefore, it is this Parliament which really ought to be congratulated and I say this advisedly for one reason. My hon. friend was not content with merely dealing with this particular case but was anxious to pat himself on his shoulder, because of his faith in Karl Marx. In a country where Karl Marx is held as a kind of demi-god, such things cannot happen. (*Interruptions*). It is only here such things happen, because there is Parliament, there is responsible government, there is parliamentary democracy, and the party in power as well as the parties in opposition are prepared to make common cause in seeing to it that the morale of the administration is maintained and the integrity of the Ministry is also kept up.

It is from that point of view that I would like the House to look at this matter. I was a little unhappy over the tone that has now become rather usual with my friend, and my former leader also when he was in the Congress, Acharya Kripalani. He could not abstain from making certain remarks, personal as well as public, about the Prime Minister. The Prime Minister was himself in taking the decision to appoint this public inquiry. We must give credit where it is due.

An Hon. Member: On pressure of the public.

Mr. Deputy-Speaker: All Members are entitled to have their views.

Acharya Kripalani: Can I interrupt? I gave credit to the Government for appointing the Commission. What more can I do?

Mr. Deputy-Speaker: Why should there be occasion to interrupt or interfere? Two opinions can differ. If he feels differently he ought to be allowed to proceed.

Acharya Kripalani: He said, I had attacked the Prime Minister.

Mr. Deputy-Speaker: Perhaps he thinks so. If Shri Ranga, addresses the Chair, there will be no difficulty.

Shri Ranga: I am addressing you, Sir.

Mr. Deputy-Speaker: He directs his attention to his right side when he speaks.

Shri Ranga: There were equally serious cases of mal-administration which were brought to the notice of the public through the various Committees appointed by this august Parliament itself. It was complained by some of our friends that they did not also result in such public inquiries. It only means this that on those occasions Parliament was not strong enough to insist on public inquiries and on getting public inquiries appointed. The Public Accounts Committee reported to this Parliament, not once but repeatedly upon certain of these cases which had been referred to by my friend the Leader of the Communist party. What prevented Parliament on those occasions to take the fullest possible notice of the unanimous recommendations and reports made by the Public Accounts Committee? Parliament was not able to assert itself on those occasions. The Prime Minister also, as some of our friends would like to have it, did not feel like appointing a public inquiry. On this occasion, Parliament made its mind very clear indeed and the Prime Minister responded to it rightly. My hon. friend was talking about 20 days' delay. Twenty days—I do not think it was a matter of delay. It was the quickest possible action that any civilised Government with responsibility to Parliament could have taken, and it has been taken by the Prime Minister.

Having said that, I would like to congratulate and pay my high tribute to Justice Chagla. He has vindicated the prestige of the judiciary of this country. He has shown that in this

[Shri **Ranga**]

country anyhow there are High Court Judges and Chief Justices of High Courts who can discharge their duties without any fear or favour of the Government and its leaders however powerful and popular they may be. That stands to the credit of our Parliamentary democracy. Who has given that power to the High Court Judges and Chief Justices? It is our Constitution. In that way, I feel proud of our own Constitution which has placed on the highest pedestal the judiciary in our country.

Shri S. A. Dange: And also the stock exchange.

Shri Ranga: I am not interested in the stock exchange. My hon. friend has a little more knowledge about the stock exchange than I have ever had.

Mr. Deputy-Speaker: The hon. Member shall have to continue in spite of interruptions.

Shri Ranga: I wish also to congratulate the out-going Minister. It has been suggested by one of our friends that he did not take time by the forelock and offer his resignation at an earlier stage. At the earliest possible opportunity, I learn, he has offered to resign. As soon as the public inquiry was ordered and certain facts which were not within his knowledge till then had been brought to the notice of the whole public in this country, he felt that his ministerial responsibility got itself involved in that and therefore, he offered to resign. If anybody was responsible for the delay in the final offer of his resignation and its acceptance, it was the Prime Minister. The Prime Minister delayed it for a very good reason. He wanted to wait until this report came up before the public. Today we know all the facts that came to be known to the Chief Justice Shri Chagla and in the light of this we also feel that the Prime Minister was justified in accepting the resignation. We also feel that the Minister was justified in reacting properly to the facts that were placed before Chief Justice Chagla and therefore offering to resign. I do not think any blame can be attributed to Shri T. T. Krishnamachari.

My hon. friends wanted that Shri Patel should be hanged in a non-violent manner. Why Shri Patel? Why not somebody else, somebody else somebody else? Let us look at it from a constructive point of view. One thing comes out. One of the strongest Ministers, as he was known to be, even Shri T. T. Krishnamachari was kept in ignorance over many weeks, if not months, about some of the most important and relevant facts. That was possible within the present set up of ministerial responsibility on the one side and secretarial responsibilities towards the Ministers on the other. Something has got to be done in order to strengthen the Ministers *vis-a-vis* their powerful Secretaries. That is there. Some constructive thought has to be bestowed in the next few months so that the working of our Government could be kept on an even keel. We have come to know with very great surprise that these officers can carry on the administration through a kind of *esprit-de-corps* among themselves and keep not only the Ministers ignorant of what is going on but also manage to keep Parliament ignorant of what is going on. Members of Parliament ask for information. The Ministers pass these questions on to their Secretaries and right down to various other officers also There comes back a reply. The Minister is helpless. He has only to dole out the reply in this House. When serious consequences follow, the Ministers are obliged to be taken aback. Why should it happen? Why has this thing been happening?

It has been suggested that Shri Patel was chosen as the Principal Secretary by Shri T. T. Krishnamachari. It was possible? I do not know. I would like to know whether each one of the Ministers is free to ask for the transfer of any Secretary that he is dissatisfied with and straightaway get compliance from the Home Ministry. I would like to know what amount of canvassing he has got to do with the Home Minister in order to be able to get a Secretary who would agree with him and who would carry out his own decisions willingly, obediently and loyally. That has got to be investigated. I would also like to know where the Prime Minister's responsibility or power or influence comes in in the choice of these Secretaries and their transfer from one Ministry to another and so on.

Another fact that has got to be considered is, for how long are these officers who are brought here from the various States, to be kept here at the Centre. It has been happening ever since the British regime. Once a man goes over to Delhi, very rarely he is sent back again to his respective State, with the result that the man plants himself, shoots his own roots, gains a kind of clientele for himself, builds an official empire for himself and in that way he is able to withstand any kind of influence or power from the Ministers Therefore, this point will have to be considered by the Home Ministry as well as the Prime Minister in the next few months.

I am one, and I am sure the whole House will be one, is one, in agreeing with the Prime Minister that the morale of the services should be maintained. We are all anxious that this should be maintained. But, at the same time, we have also to devise ways and means by which these services can be competently and efficiently controlled. That today they are not being so competently, efficiently and satisfactorily controlled is brought out by Justice Chagla's report. That is an important fact which ought to be taken to heart by every Minister in this Cabinet.

There is the other thing. How are we to manage all these semi-governmental corporations? Are we to manage them through the I.C.S. or I.A.S. officers or by recruits from the private sector? I personally am not in favour of either of these two. For years, long ago when Shri Shyam Prasad Mukerjee was the Minister for Industries and Supply, the Government came forword with the assurance to the then Parliament that they were going to constitute a separate economic secretariat. For all these years they have slept over that idea and that assurance also. I think it is high time indeed that Government began to think on those terms and began to constitute an economic service with as high integrity, status and stability as the Indian Civil Service itself. If we work on those lines, then there would be some hope of getting good results from this proposed devolution of power that the Prime Minister has talked about. Otherwise there would be the other danger. We will be creating all these semi-autonomous or autonomous corporations and Parliament would be denied its power to influence, examine and control their activities We do not want to run that risk at all. Parliament's responsibility and control over all these corporations ought not to be in anyway weakened and we can have some assurance that it would not be weakened in case such an economic service comes to be created. They would be given sufficient power of autonomy not from Parliament, not even from the Ministers, but from the Civil Service itself and their interference.

They have talked about these man-eaters My fear is man-eaters are not in the private sector alone. It would be the duty not merely of the Cabinet, but of the whole of this Parliament to be on the look-out and catch hold of these man-eaters whereever they are, while they are on the prowl in public life, in Parliament, in the private sector, in Government and in administration.

Having said all this, I would like to congratulate in conclusion the Government for having come forward

[Shri Ranga.]

with this resolution placed before Parliament. I would have thought that my hon friends from the Opposition would have been too ready to say what they have said just now, because after all, it is not as Government that they have come forward with this resolution It is as the representatives of this Parliament that they have come forward with this resolution This resolution not only vindicates Justice Chagla's findings, but it also vindicates this Parliament It also credit to the Government, because the Government has the courage to accept these recommendations and offer to us to the satisfaction of this House as well as of those people who have taken part in this episode and the public that there should be a further inquiry, a further probe into all those other things which have not been inquired into, that have not been unravelled and Government propose to do this Therefore, I am all in favour of this resolution that has been moved by the Leader of the House and I sincerely hope that my friends on the Opposition also would agree with us in supporting the resolution wholeheartedly.

Shri Dasappa (Bangalore) I rise to support the motion placed before the House so ably by the hon Prime Minister True enough when the motion stood as on the agenda paper, there was some room for the friends of the Opposition to table amendments or substitute motions and speak in support of their motions But when the Prime Minister placed before the House his own substitute motion, I thought every aspect of the case was covered by it and made acceptable to the whole House We see that the hon Members of the Opposition who have spoken have not ventured to find fault with the substitute motion that was placed before the House by the Prime Minister and there was nothing in it that was criticised by them I think, therefore, it is fairly obvious that when they have tried to speak at great length, it was not with a view to counter any part of the motion that was before the House, but to pick holes in the administration here and there, which obviously went wrong in this particular case It was the case of the Prime Minister that the procedure and the manner of the deal was a thing which would not commend itself to the Government. They accept the finding of the Chagla Commission. What more, I ask Mr Dange and my venerable friend Kripalaniji want Government to do?

The other parts of the resolution are also extremely non-controversial and deserving of acceptance at the hands of the Houue It is wrong on the part of the Prime Minister to have said that he was going to examine the various suggestions made by the Commission? So, we find that by their tacit feeling and their not being able to find fault with the substitute motion of the Prime Minister, they are in entire agreement with the resolution

It is true that the whole inquiry, the whole episode, is a thing which must be viewed from the larger aspect of the working of democracy I am sure that the world at large does appreciate the stand that the Government has taken in this matter There is not the slightest doubt about that and I am glad Acharya Kripalani referred to it We are the biggest democracy in the world How it functions, how it safeguards the rights of the people, how it provides opportunities for the representatives of the people to keep their vigilance over the activities of the Government, how when some activities of the Government go wrong, it is made possible for Parliament to exercise the necessary corrective —these are the things by which we must judge the working of our democracy Therefore, I think we have really added a feather to our cap and every section of the House must be proud of the stand that the Government took in regard to this matter

It was rather amused, when of all people, the leader of the Communist

Party here offered not merely those criticisms but hurled attacks at the Government. It looked as though the country which has the ideology of the leader of the Communist Party would have done something immensely better than what we have done. I ask, what would have been the way in which that nation pursuing his ideology would have done in similar circumstances? I do not want to pursue that matter, and it is somewhat strange that it should emanate from Mr. Dange. He presumed certain things which were altogether unwarranted, even though I think he must have known the facts very well. Shri S. A. Dange was present in the House when the motion was initated by my hon. friend, Shri Feroze Gandhi. The two questions which started the whole show were framed by Dr. Ram Subhag Singh, and yet my hon. friend, Shri Dange, wants to take the credit for himself by saying that the Congress Party only joined in initiating the debate and inquiry. This is rather strange. I would very much appreciate if he is true to facts and then proceeds to make his comments as much as he likes.

I want to ask whether the hon. Prime Minister, when he referred to the functioning of the Secretaries and to the fine record they have built for themselves, was trying to justify the action of the civil servants in this deal? Did he not by the very acceptance of the findings of the Commission subscribe to the view that there was something wrong? And does not the motion itself say that the procedure etc., of the deal was wrong and objectionable? When the Prime Minister says definitely that in this deal the conduct of the officers was open to objection but adds at the same time that, by and large, the civil service has a good record for itself and has been discharging its duties very efficiently, is it right for Shri Dange to say that the Prime Minister gave good chits to the particular officers concerned in the deal? I say this is a very wrong attitude to take. So you see how the very foundation of his arguments gets vitiated and poisoned at the very source.

I do not want to dwell at great length on these points. I think from this deal a great good has come out. As Shakespeare has said:

> "There is some soul of goodness in things evil
>
> Would men observingly distil it out".

Has this inquiry not resulted in putting everybody alert with regard to his responsibilities and activities? In the first place, it is not denied that some good has come out of this inquiry. The Prime Minister himself says that. Primarily, it affects the Government, the Cabinet and the Ministers, then the civil service. I am pretty sure that this is going to work a great reform in the whole attitude and approach of the civil service hereafter to their business, likewise in regard to the public life of the country as well as the activities of the public and private sectors.

So we see that this Commission has brought to light a great many of the defects that were holding the field. Now that they have thrown the searchlight of their inquiring mind into the particular activities of the Corporation, I think it is not only the Life Insurance Corporation that stands to gain but every other corporation is also sure to be placed on a firm footing.

Then there are certain things to which I would like to refer. Acharya Kripalani only endorsed the findings and reasonings of the Chagla Commission. It is not the case of Government or of the Congress Party that things were done in a proper manner. It is true that the deal itself should not have been entered into with a person of Mundhra's type. That is obvious and we are all agreed on that. It is true that the Investment Committee should have been consulted. It is also true that it should not have been done in such a hurry. It is again

[Shri Dasappa]

true that the autonomy of the Corporation should not have been interfered with. Who says that these parts of the deal were to be justified? That is not the case of Government. Therefore, there is no difference of view between what Acharya Kripalani said and the attitude of Government.

I shall now refer to certain aspects which emanate from this Report. We find that the policy with regard to the investments of the L.I.C. funds is not yet quite clear. There is, on the one hand, the idea of Shri H. M Patel, who thinks in terms of stabilising the share market and trying to save a certain situation. On the other hand, there is the view of the *ex*-Finance Minister who says that the investments should always be made in the interest of the L.I C., and investments should be only on 'blue chips' as he choses to term them. It is necessary that Government should apply their mind and state the policy more exactly than we find it now. This is one of the things which has emanated from the Report. I think it is a very important matter. I am not here to say as to what exactly should be done. There are certain arguments in favour of the stand which the *ex*-Finance Minister has taken. There is no doubt about it. Also, it may be argued that there is some case for the stand which Shri Patel took

Take, for instance, a new company that is floated relating to a vital industry in the interest of the nation. There may be preference shares there. Now, would you expect the L.I.C. funds to be invested in those shares? It is agreed that when the former Finance Minister—I am referring to Shri C. D. Deshmukh—referred to the question of using these funds for the advancement of the Second Plan, he seems to have some such thing in mind. How can the life insurance funds help the Second Plan unless it be in one of the following ways, namely, in trying to promote a new industry in the interest of the nation, in which case we are not sure exactly what the dividends will be—unless of course, preference shares which guarantee dividend are taken. Then there is also another aspect, to which I think Shri C. D. Deshmukh referred, and that is that these funds, as elsewhere, say, in the United States of America, are utilised for certain big social purposes such as housing for labour, for low income groups and so on; and very rightly so, because we cannot carry on these activities with the ordinary revenues that we have. I may say with some experience of the Mysore administration that the Mysore Government was able to build certain industries with these funds which were available because Government itself had its life insurance.

Once I even pleaded that apart from this life Insurance Corporation at the Centre, the States may also have life insurance corporations, and there would be nothing wrong because these State life insurance departments used to run successfully in competition with 200 or 250 other insurance companies.

The question of defining the policy of investment is, I think, one of the most important things that we have got to do. Of course, there are other things relating to the relationship between autonomous corporations and Government and so on Those are matters which the Prime Minister has already been pleased to assure us he will certainly examine.

This Commission has rendered a signal service to the country, and I think the motion that has been moved by the hon. Prime Minister should be accepted, as I am pretty sure it will be accepted, unanimously by the House. I would appeal to the leaders of the Opposition to see that the great cause of the country does not suffer by their trying to advance all sorts of extravagant demands.

Just now Shri Dange was pleased to say: nationalise banks, nationalise Jessops, nationalise everything. It is more easily said than done.

Shri B. S. Murthy (Kakinada—Reserved—Scheduled Castes): Nationalise all, but not the Communists.

Shri Dasappa: The Prime Minister has been saying so often that it is not a matter which can be done rightaway since we have not got all the trained personnel for that job. For our public sector alone, which is not very big now, we are unable to find the proper personnel. Is it not foolhardiness, I ask, for us to think indiscriminately of rationalising everything, and will it not lead to aberrations of the type which unfortunately we have had to witness today.

I very strongly resent Shri Dange saying that this Government is more or less in league with the man-eaters and is trying to do things only in a bourgeois way. I believe he has got into the habit of using certain expressions. There is no speech of Shri Dange without reference to Karl Marx or the bourgeoisie.

We have seen what big responsibilities the Government is undertaking, how it is going from step to step, how it is building up the necessary personnel for the purpose and taking the country forward. So, in these days when democracy is more or less on trial in some parts of the world, when we are laying the foundations of democracy, I want every person here to exercise that sense of responsibility which a democratic nation calls for and co-operate with the Government in building up this great democracy.

Shri M. R. Masani: I rise to speak in support of an amendment, notice of which has been given this morning by Shri Jaipal Singh, Shri Barrow and myself on behalf of the Independent Parliamentary Group. That amendment, which has not yet been circulated, is an amendment to the revised motion moved by the hon. Prime Minister this morning. It says that paragraph 3 be deleted and the following be substituted:

> "But regrets that Government have failed to accept the principles recommended by the Commission for adoption by Government and the Corporation."

The Prime Minister was right this morning in claiming that despite the unfortunate features of this incident, a great deal has been done about which this country may well feel proud—the initiative of a private Member of Parliament in drawing attention to this matter, the appointment by Government of a public enquiry, the public interest in that enquiry. I think there was nothing morbid about that interest. If it had been a murder trial, or interest in an aberration of some kind, that interest would have been morbid, but when the funds of a large number of policy-holders, small peopl's savings, are believed to have been squandered recklessly by those put in charge of them in trust, then certainly the widest public interets can only be considered healthy and not morbid. At the same time, many of us share the Prime Minister's doubts about the wisdom of having loudspeakers in a public square. We in this country certainly do not want mob justice; we do not want that travesty called "people's justice" in Communist China which is used by a dictatorship to liquidate its political opponents. We do want a quiet and dispassionate atmosphere.

Then again, the attitude of the Attorney-General, the attitude of the Commission itself, the acceptance of the Commission's findings by Government, and the acceptance of the resignation of the Finance Minister are all things on which this country can congratulate itself for holding high standards in democratic functioning and in respecting the rule of law.

Shri Jaipal Singh: Partial acceptance.

Shri M. R. Masani: That I will come to when I speak on the amendment.

Shri Jaipal Singh: Where is the acceptance?

Shri M. R. Masani: The broad acceptance by the Government of the material findings of the Commission except the point to which I shall refer while speaking on the amendment moved by Shri Jaipal Singh and myself.

I have heard people from other parts of the world comment in the last few days that India is perhaps the only country in Asia outside Japan where things could have taken the course that they have taken, that in almost any other country in this part of the world they can envisage things being hushed up and suppressed in a way that has not happened in this country. I think, therefore, that the Government of this country, this Parliament and the people, who have also had a part to play in this, may all feel satisfied that the right things are broadly being done.

Having said that, let us consider the responsibility for what has gone wrong. Here I do not propose to enter into personalities. I think we have seen the spectacle of unfortunate men being caught in a situation. I think the House will agree that, so far as the Minister and the officials are concerned, they were men above the average in ability and in record, and yet we had a somewhat pathetic spectacle when these men came to give evidence before the Commission. I would like the House to consider who was responsible for this situation.

I have no hesitation in saying that the party that is in the dock today is not the individual Minister or the individual official, but the present Government because of the faulty policies that they have carried out in regard to the operation of State enterprises generally in this country. It is that faulty policy that has placed these unfortunate men in the position in which they found themselves.

I am not saying, as some people might imagine, that the faulty policy lies in nationalising a particular industry. That is another issue; we can discuss it separately and hold our own respective views about it. What I am saying is that the way in which nationalised industries are run is generally defective, and since we all wish that, once an industry is nationalised, it should be made success, it is our duty as Parliament to see that at least the right lessons are learnt from this debacle in State enterprise and that in future such scandals are avoided. That is an attitude which all democratic socialists should support.

I believe that there are sound management principles that apply to an enterprise, whether it is in the public sector or the private sector. These management principles are the same whether an insurance company is in the one or a steel corporation is in the other. Like human nature and corruption, things do not change because they are nationalised. Human beings are the same, and the principles of management remain the same.

I would like to consider what are the sound management principles that should have been applied and were not applied in the case of the L.I.C. I would list them as three, and they have been referred to in paragraph 8 of the Commission's Report.

First, responsibility should be clear and blurred; hence ministerial responsibility for the acts of officials; hence also the resignation of the Finance Minister, which has quite rightly been accepted.

Secondly, devolution of authority, decentralisation of authority to enable efficient management to take place on business lines unaffected by political pressures; hence, the need for autonomous corporations which we have broadly accepted in the Statute; and lastely, the safety of the policyholders' funds.

15 hrs.

Now, to what extent have these principles been respected in the administration of the L.I.C.? First of all, let us take up the issue of autonomy. The Commission has found that section 21 is an ideal compromise between autonomy on the one hand and parliamentary control on the other. Two things are clear from these conclusions. The first is that Government directives are restricted to general policies and could not possibly have been made to apply to the decision as to whether to buy a particular share or not to buy a particular share; in other words, even if there had been a written directive......

An Hon. Member: There was no directive.

Shri M. R. Masani:....it would have been *ultra vires* of the Act and should not have been obeyed. Secondly, there was no written directive. Yet, in spite of this, the Commission has found that the persons primarily responsible for the deal were the Minister and the Principal Secretary. How has it happened that, in spite of the law, people who were not authorised to do so took this responsibility and this action? I say this happened because the present Government has generally reduced the autonomy of State Corporations to a myth or a farce, and that this is the position in regard to most State Corporations, apart from the L.I.C.

The Finance Minister, in his evidence, referred to certain fictions in law. One of these fictions obviously in his regime was the autonomy of the Corporation under the Finance Ministry. What are the facts? The facts are that the negotiations and decisions were dominated by Government through the Minister and the Principal Secretary.

The Commission has come to the conclusion, after hearing all the evidence, that:

> "That transaction is also open to challenge on the ground that it was not really a transaction effected by the corporation in the exercise of its statutory duty and discretion. The evidence is clear beyond doubt that the transaction was brought about as a result of interference by Government and the transaction may be characterised as a dictated transaction. I have already referred earlier in this report to the danger of an order from Government masquerading as a mere advice, and the transaction I am considering brings out, in full force, how Government can dictate to the corporation although in form it may appear as mere advice".

This is an indictment, not of an official, nor even of the Minister, but of the Government of India as today constituted.

The commission goes on again to say the same thing, when at another page in the report, it says:

> "The Finance Ministry had come to look upon the LIC as a mere wing or branch of itself."

We have the evidence of Mr. H. M. Patel, the Principal Secretary. He said he thought he was giving effect to Government's policy. He said Mr. Kamat, the chairman of the L.I.C., could have exercised his own discretion. If Mr. Kamat had wanted to go into mere details, he would not have said "no".

[Shri M. R. Masani]

The question that the House has to face is: Why did Mr. Kamat not ask for more time? Why did he not apply his own intelligence, or why did he not say no.

The answer is twofold, first because as I said, Government have over the last few years consistently been violating in practice the autonomy given to corporations by statute.

Only the other day, I came to know that one of the latest controversies in the Bhakra-Nangal Dam project, of which this country is justly proud, was a long drawn out controversy which was decided by Government as to whether or not paper cups should be supplied for drinking water at the taps installed there. This is an example of the farce to which autonomy has been reduced when a matter of this footling nature has to go to Government for decision.

The second reason is that ICS officials are being appointed constantly at the head of Corporations We now learn from this a lesson, and we hope that in all corporations these persons will be withdrawn and replaced by some more suitable people But today, the fact remains that the Secretary of one Ministry is the chairman of the Hindustan Steel Ltd, and the Secretary or official of another Ministry is the chairman of the State Trading Corporation; and we should not be surprised if in these conditions, similar violations of propriety continue to take place.

The Principal Secretary here evidently got so used to the combination of his function as Chairman on the one side and as Secretary on the other that, even if after he ceased to be the Chairman of the Corporation, he continued to behave as if he was one and his successor who was nominated to that place was a mere deputy. Mr. Kamat was the second Chairman, who succeeded Mr. Patel. As the Commission points out, a man in his place obviously regards his appointment as "merely one rung in the ladder of promotion." He looks to the present Minister and the present Principal Secretary to have a good regard for him so that he may have a better appointment in future. In this situation, the Commission finds that he surrendered his own judgment to the judgment of his chief. As the commission says,

> "Though the hands were the hands of Mr Kamat, the voice was Mr Patel's voice".

I do not think it is fair for this House to blame good officials like these. The Government that has created a situation where it puts officials in a position where they cannot but be driven to function in this manner must take responsibility for this.

We have seen in the last few years what might fairly be called a process of bureaucratic imperialism, of the bureaucracy spreading out its tentacles into every walk of life and trying to dominate it And if you put power in the hands of people, they will certainly make use of those opportunities What is called for is to have independent men with a business background and experience, who can serve, as they served before, the enterprises where they were placed.

I ask this House: Can we imagine this situation having arisen in Air India International, where we happen to have a non-official independent chairman of high character and business background? To put the question is to answer it. If any secretary to Government had dared to tell the Chairman of Air India International about what he should do or not do he would have had his resignation the very next day. And that is how it should be. The chairmen of boards in Britain, that is, of nationalised boards, have resigned over and over again, when the Minister dared to try to interfere with their autonomy.

But how can you expect a subordinate civil service official, a limb of Government, to threaten to resign because he is given one more order like all the orders he has received in the rest of his life?

The Prime Minister referred to one official, the managing director of the corporation, who did not come from the civil service. He was quite right. The evidence of the Managing Director was even more pathetic than the evidence of the Chairman of the Corporation. He admitted in his evidence that he was loyal to his chief, but not to the Corporation. And he said he was not surprised that he was not consulted. But the fact remains that the same official, before he became a Government official, when he was still in a normal industrial corporation like the Oriental Life Insurance Corporation, was known throughout to be an independent officer who asserted himself and who freely expressed his opinions, because he was in an environment where his opinions were entertained and listened to. When he became a limb of the bureaucracy, when a hierarchy was set on top of him to give orders, he became a good bureaucrat, and so the same man who is a good functionary in one set of circumstances can become a poor functionary in another.

Now, the Commission finds that both these officials, bowed to "higher authority and better knowledge", as they understood it. Again, I ask: Why? Why did they not use their own intelligence? One is reminded of what Mr. Jaya Prakash Narain has more than once referred to as the cult of personality that is rampant in this country. These officials were doing nothing more than copying what they knew to be the behaviour of Cabinet Ministers and politicians who also subordinate their judgment to "higher authority and better knowledge." And when these examples are set at the top, they trickle down and a climate of what may be called the cult of personality develops. I do not think, therefore, that we are in a position, as politicians, to throw a stone at others who have merely copied the tone that we set in this country.

Many many years ago, when we were still under the British, Gandhiji used to say: "This country has got to learn to say 'no'." Can we really say that we have now learnt to say 'no' to authority? Do we see that in our daily life, whether it is in Government or in our public life? It seems to me that Gandhiji's wish that this country should learn to say 'no' still remains to be fulfilled.

Now, I come to the public funds and the manner of their investment. We are happy that Government have accepted this major part of the Commission's report. The administration of public funds is important; in this case, it has been described as a trust. And it has now been stated that Rs. 10 lakhs become available for investment every day at the hands of the LIC. Here, again, I feel that it is Government policy that is to blame. Let us consider the record.

When life insurance was nationalised, the then Finance Minister, Shri C. D. Deshmukh, referred in Parliament to the sacred trust that was being embodied by the savings of the policy-holders. But in Select Committee, the same Finance Minister refused to allow those to whom the moneys belonged, that is, the policy-holders, to nominate one-fourth of the board of directors. That would have stopped this kind of thing happening. But the same Finance Minister who said it was a trust was not prepared to allow the people to whom the funds belonged even to nominate 25 per cent of the controlling board.

Then, again, Mr. Deshmukh promised that Government would give general directions about investment of these funds. As far as I am aware

[Shri M. R. Masani]

—and I speak subject to correction—no such general directions were given by Government and the LIC was left completely to go hang and do what it liked with the investments.

Thirdly, the then Finance Minister said that the policy of investment would be the maximum yield for policyholders consistent with the safety of the investment. Hence, an Investment Committee was constituted. But, in spite of that, section 27A was never applied.

And, finally, we have this spectacle of the Finance Minister and the Government introducing and passing a Budget that destroys public confidence and then misusing the funds of the policy-holders in an attempt to bolster confidence which they themselves have destroyed. This is really the culpability of Government in creating a situation to which these officials and Ministers contributed.

Now, we find here a mixture of motives for investment. The official story—the Principal Secretary's story—was that of correcting the trend in the market, bolstering the market. Was it a genuine and good reason? I would like the House to consider whether it is a good reason. I think that when the Finance Minister promised that the funds would be invested to fetch the highest return consistent with the safety as criterion, bolstering the market which has been depressed by a Budget is not part of that policy.

I would like this matter to be investigated. I am told—I do not know how accurate it is and I only mention it so that the Government may investigate—that the LIC follows certain other policies with equally mixed motives. The LIC took over some general insurance companies as subsidiaries and is running them as such. The allegation is that the LIC invests in the funds of those companies which in turn promise to give their general insurance business, not to other companies, but to the companies that are subsidiaries of the LIC. If this is true, it is improper.

Shri Asoka Mehta (Muzaffarpur): Mr. Mundhra himself has given Rs. 15 lakhs worth of business.

Shri M. R. Masani: My friend Shri Asoka Mehta says that Mundhra himself has offered Rs. 15 lakhs premium as business to the LIC subsidiaries. So, what I thought was an allegation evidently turns out to be a fact. This is utterly improper and a violation of the Trust Government possesses. It has no business to do a barter, buying a scrip which may not be first class, which may not be blue chips, because the agency of the general insurance business comes to them and not to another insurance company. If any private enterprise did this, it would be considered an immoral practice. Here we have a public trust, a public corporation which, if it has been resorting to this practice, should be stopped forthwith. And I hope Government will investigate this and satisfy the House that this practice either does not take place or, if it does, will be stopped immediately.

The Leader of the Communist party made out that instances such as these are part of the so-called capitalist way of life. For his benefit, may I quote an eminent communist Miloven Djilas, former Vice-President of the Yugoslav Communist State and who is serving imprisonment for ten years for the crime of having written this book, the NEW CLASS. It is very interesting that the Mundhra scandal happens in communist countries also.

Shri Narayanankutty Menon (Mukandapuram): He wrote the book after his imprisonment.

Shri M. R. Masani: It was written before but was published after.

Mr. Deputy-Speaker: Then he must have become wiser.

Shri M. R. Masani: This is what Djilas said about waste of public funds in communist countries. He has written both of Russia and Yugoslavia about which he knew such lot from inside:

> "In Communist systems thefts and misappropriations are inevitable. It is not just poverty that motivates people to steal 'national property', but the fact that the property does not seem to belong to anyone. All valuables are somehow rendered valueless, thus creating a favourable atmosphere for theft and waste. In 1954, in Yugoslavia alone, over 20,000 cases of theft of 'socialist property' were discovered."
>
> "And now this seems to apply to the present case also: The Communist leaders handle national property as their own, but at the same time they waste it as if it were somebody else's. Such is the nature of ownership and government of the system."

Mr. Djilas refers to the State Capitalist system on which we seem to be launching in India.

The real curse is not the capitalist system or the socialist system. Both can be good, and both can be bad. But the real curse is concentration of power, concentration of power without responsibility. One of the reasons given for nationalisation was that there was concentration of power in the insurance world in the hands of a few directors.

There were 500 to 1,000 directors democratically elected by the shareholders and policyholders at annual meetings. That was supposed to be concentration of power. Now, let us see how you have democratised life insurance. In the place of these 500 to 1,000 elected directors looking after the shareholders' money and the policyholders' money, you have a Board of Directors of 15. Eight of these are officials. The Board of Directors appoints an Executive Committee at its first meeting and hands over to the Executive Committee its authority to make investments. This Executive Committee consists of 5 persons, of whom 3 are officials. The executive committee also like good bureaucrats, pass a resolution delegating to the Chairman and the Managing Director alone the authority of making investments which was given to them by the Board. So, we have two people in place of the 500 to 1,000 directors who were formerly looking after the policyholders' interests. This is democratisation and fighting concentration of economic power. Is it surprising that when these two gentlemen have on top of them a higher civil servant and a Minister, ultimately, either two senior people, the Minister and the Principal Secretary, or two junior people, the Chairman and the Managing Director decide the fate of millions of policyholders irresponsibly as they have done in this case?

Sir, a word about the amendment and I have done. The amendment we have moved welcomes the first two parts of the Prime Minister's motion. The third part is where it says that Government will give proper examination to the 7 principles laid down by the Commission. It may be said: Where is the hurry? Proper examination will be given and action taken. But I want to ask what is so complicated and complex and difficult to understand in these 7 principles that Government, who have had this report now for several days, were not able to come before this House and say: The seven principles are here; we either accept the whole lot—as I believe they should and, I believe most Members of the House should like it—or they may say, out of the 7, 6 are immediately applicable and we bow to the six; and as regards the seventh, we shall go into the matter in detail. Why is not this being done? Let me read the 7 principles and let any hon. Member point out what is so complicated about them that this Government could not make up its mind and agree with the general principles in the course of a few days:

> "1. That Government should not interfere with the working of autonomous statutory Corpora-

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tions; that if they wish to interfere they should not shirk the responsibility of giving directions in writing."

Am I to think that there is any difficulty about it? This is what the statute says actually.

> "2. That Chairmen of Corporations like the LIC which has to deal with investments in a large way, should be appointed from persons who have business and financial experience and who are familiar with the ways of the stock exchange."

I understand that the Chairmen of these Corporations, ICS people, are going to be withdrawn. If that is so, it is a good thing. Why not accept it?

> "3. That if the executive officers of the Corporation are to be appointed from the Civil Services, it should be impressed upon them that they owe a duty and loyalty to the Corporation and that they should not permit themselves to be influenced by senior officials of Government or surrender their judgment to them. If they feel that they are bound to obey the orders of these officials, they must insist on these orders being in writing."

What can be more simple and elementary than this? Don't be intimidated; if you are, at least take it in writing. But even this requires evidently considerable examination before it can be accepted.

> "4. The funds of the LIC should only be used for the benefit of the policy-holders and not for any extraneous purpose. If they are to be used for any extraneous purpose that purpose must be in the larger interest of the country. The public is entitled to an assurance from Government to this effect."

That assurance the Government is refusing to give us today. This House wants them to give this assurance. What is the difficulty about giving the assurance that funds will be properly used and not misused?

> "5. In a Parliamentary form of Government, Parliament must be taken into confidence by the Ministers at the earliest stage and all relevant facts and materials must be placed before it."

Is Government not prepared to state that Parliament should be informed at the earliest time?

Then, the 6th principle is:

> "That the Minister must take full responsibility for the acts of his subordinates. He cannot be permitted to say that his subordinates did not reflect his policy or acted contrary to his wishes or directions"

This was accepted by the Prime Minister in his statement this morning. Why not say so again?

Then, there is the seventh:

> "That the Government should immediately apply to the Corporation Section 27-A of the Life Insurance Act of 1938 modified as circumstances require to carry out the solemn statutory assurance given in the Life Insurance Corporation Act."

Sir, I think hon. Members will agree that in not agreeing to these seven principles which are broad general principles, the Government is offering a mere platonic acceptance of principles which, after the way they have behaved about the autonomy of Statutory Corporations, I do not think they are entitled to ask Parliament to trust them with .

Shri T. N. Singh (Chandauli) Sir, I think we shall not be serving the full purpose of the debate if we confine ourselves mainly to flinging remarks against this or that individual. I am glad the supremacy of the House has been established as a result of this inquiry. We have learnt a number of things which are desirable in the present context especially in regard to national undertakings and their management. All this labour by a high-power commission and the efforts that this House made to pry into these affairs will have been wasted if we do not apply our minds as to how we are going to control the management of national undertakings.

The Government have accepted most of the recommendations of the Chagla Commission. They relate to many things about which there are no two opinions and it will be wrong on my part to go into that question in any great detail. I feel that we should apply our minds a little to the national undertakings, how they are today governed and controlled by Parliament and to what extent they should be so governed

We have passed a number of laws as well as approved a number of undertakings run by the Government In regard to them, I am afraid the House or many of us have not indicated clear thinking. We should have at least applied our minds to these undertakings in greater detail. We have got national undertakings which are run as departmental concerns. We have got national undertakings which are run as public or limited companies Then there are also a sort of mixed national undertakings. In some we have controlling shares. In other we have got an arrangement with private enterprise. Thus there are all kinds of permutations and combinations.

Now, let us see what is the practice in other countries. There have been cases in other countries too where national undertakings have erred just as the LIC seems to have erred on certain matters. There have been cases in Britain, in America, in Canada, France, Germany and in other countries of a similar nature. I was just reading an interesting report of a Committee of the House of Commons on nationalised industries in Britain. They started with the principle that the Government or the House should not interfere in the national undertakings. Their argument was that most of these national undertakings were financed by raising loans mortgaging the properties of these very undertakings. As they were not financed by the tax-payers' money, they felt that the House or Government should have nothing to do with their administration and management.

Here in India, we have differed from that. Every time the House has felt that its general supervision and control is necessary. One of our Committees with which I have been very intimately connected for a number of years has shown deep interest in the progress of the nationalised undertakings. From time to time, we have considered their accounts and their reports and examined their representatives and gone into a lot of detail on things which have not seen the light in the House itself.

I can tell you that either directly or through its sub-committees we have been very vigilant about the national undertakings, whose failings or successes are ours; let us realise that. I dislike it when any one of us gets up and speaks in a manner as if he is not at all responsible for these undertakings. That is a wrong attitude to take. This is not the way to build up these very important institutions.

When I was hearing to some of the speeches, especially the speech of the Leader of the Communist Group, I was wondering whether this excellent occasion for the House to discuss certain things is being utilised to consider the real national problems that emanate from the system of national undertakings. Are we really applying our minds to that? It is no use blaming this or that political party. These national undertakings are no individual's property. They are the concern of each one of us and all of us. All Members of Parliament here

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are in the position of shareholders of these national undertakings and therefore, they should take keen interest as if it were their own concern.

I would refer again to the House of Commons report. There was a question as to how to regulate and control State undertakings. When difficulties arose or defects were noticed here we had to appoint a tribunal or commission to go into this question. I think the Prime Minister rightly observed that the procedure in such matters has not yet been fully thought of. We have not prescribed the right procedure as to how to deal with such a situation.

In Britain from whom we are daily learning and will continue to learn a lot of things so far as democratic methods and procedure are concerned, there was a great deal of argument as to whether there should be a permanent committee of the House to go into this question and look into the irregularities and set matters right as and when they arise. There were two opinions. One was that if there was a Parliamentary committee sitting almost daily and going into these affairs, it would be bad and the State undertakings' independence and autonomy would be infringed. Another view was that they could not allow these undertakings to become entirely independent of parliamentary control. There must be some body to look after them. After all the ultimate responsibility of Parliament was there. The point made out was that—because they were financed by loan capital, by public loans floated by mortgaging the properties of these concerns, the responsibility of Parliament could not be taken away. It implies that the tax-payer is responsible. If somehow the undertakings were not able to honour the obligations to pay those loans, what would happen? The tax-payer will have to meet the obligation. Therefore it became necessary to have a committee of the House. That is what they did ultimately. This committee in U.K. is bringing out reports about various things. They are very interesting reports in which all kinds of irregularities have been noticed and suggestions have been made.

So, in regard to the very important point raised by the Prime Minister in his letter to the Finance Minister, I may say this: In regard to the procedure to be adopted in such matters, I would suggest for the consideration of the Government the appointment of a Committee of the Lok Sabha which shall keep a regular and systematic vigilance and supervision over our national undertakings. This is a very important thing, and I think that it will save us from unnecessary heat and all kinds of differences that arise, probably to the detriment of the undertakings themselves and also to the detriment of proper parliamentary control. If you get lost in party rivalries and prejudices then these undertakings will never prosper. That is one of the suggestions which I want to urge very strongly. I was really sorry that some friends were concerned more in flinging stones at a party, for the party which today happens to be in power.

Dealing with the nature and functions of such a committees the report of the House of Commons' committee says:

> "We feel, however, that some of the work of the proposed committee must be of a financial nature, and would be more fittingly done by a Committee of the House of Commons."

They do not want that Committee to be a Joint Committee of both Houses. Then they say:

> "Nationalisation arose as an act of policy and, for certain industries and services, has been carried into law on the initiative of the representatives of the people in the House of Commons. It can be said that the general public

are now the owners of the Nationalised Industries. It seems entirely appropriate to us, therefore, that any Parliamentary Committee set up to examine, and obtain information about, these industries at this stage of their development should be an exclusively House of Commons Committee."

Then they go on to say:

> "In the first place, it should, we consider, take over the right which the Committee of Public Accounts at present has to examine the Accounts of the Nationalised Industries, and which that Committee is unable at present fully to exercise. The proposed new Committee should consider all the published accounts and auditors' reports of the public corporations, and make representations about such matters as seem to require consideration by the Boards or debate in the House."

Now, one of the things that has been in practice here in our own country has been that Parliament exercises control through questions and discussions. This case which we are now considering is an example of the exercise of that right of the House, where questions were put, a debate was held and that was followed by a Commission of Inquiry. That is how our procedure has functioned in this case. But, probably, when such a Committee is formed these things will not be necessary.

And, I should like to say here that one of our own Parliamentary committees, one of the committees with which I am associated, whatever its shortcomings—we have failed in many respects, I have no hesitation in accepting it—has tried to do its duty. We have from time to time drawn the attention of the House to various defects, and it is really something very pleasing to note that in that Committee Members of all parties discuss questions very objectively, go into details in a very dispassionate manner and not as we had to witness here only a few hours ago. The same party members probably apply their mind more judiciously there. It is this aspect which I wanted to emphasise especially for the attention of the House.

Coming now to certain other decisions of the Commission, I think, Sir, many of these recommendations, as the Prime Minister rightly pointed out, are unobjectionable. For instance, Government should not interfere with the working of autonomous statutory corporations. As it is, it is unexceptionable. But, at the same time, as I said, we cannot take away Parliament's control. And, how to make a synthesis of these two aspects, has to be considered. Shri Masani just now was saying that it was so easy to accept all these recommendations, or to say that some we have accepted and some we have rejected. But let us go into all these points in rather greater detail. I say that it does require thinking. It is not so easy for anybody in a week's time to say that we accept this part and that part and the rest we are considering. Take any of these points in the report. I feel that in the context of parliamentary democracy, the method which should be adopted to enforce parliamentary control, State control and all that has to be thought out a little more deeply than is ordinarily assumed to be the case.

This is my humble suggestion, and I think the Government have been well advised not to take a hasty decision about the manner in which all these things are to be implemented. They should give a little more thought to it; it is an intricate problem. It is said that we are dealing with a set of industries which have to be handled very carefully and after full thought. We have also to ensure that democratic control is maintained and the initiative and enterprise which is necessary for the success of these concerns is also not affected. All

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these points of view have to be synthesised properly.

Now, Sir, I think I have not got much time, but there are one or two more points which I would have liked to discuss here. One thing however I wish to say about investments of L.I.C. We ourselves also have to make up our minds clearly. Take, for instance, this question of investment of the insurance fund generally, I am talking of the principle. What percentage should be invested in private enterprise and what should be set apart entirely for public undertakings, public loans etc.? Now, that is a difficult problem. Shri Dange was saying about our commitments for the Second Five Year Plan, the Third Five Year Plan and so on. But the point is, the Plan of ours with which everyone seems to be in agreement envisages certain accelerated investments in the private sector. Let us consider its implications objectively. The insurance fund was one of the sources from which private enterprises were financed in the past. Now what shall be their ratio? That is a problem to be considered. We cannot say definitely that the L.I.C. funds will not at all be invested in private enterprise. We can lay down rules under section 27(a); that is perfectly legitimate. We can think as to how to do it, or if the House in its wisdom so decides let it decide that no money from these funds shall be allowed to go to the private sector. That is also one view to take. But the real thing is. In that case we should not bank on the private sector doing certain things which it should have done ordinarily so far as the Second Five Year Plan is concerned. We should have no grievance on that account. Let us be clear on that account also simultaneously.

But, as I was saying, there are other points about these investments which have also to be taken into consideration. I understood, as I was on the Select Committee of L.I.C. Bill, that Section 27(a) was to be applied immediately, or as early as possible. In that respect I do think that the finding of the Commission is quite correct.

There is also the question of some of these other persons in the drama whose cases are there before this House, I can only say that whereas it is true that we should not do anything which will demoralise the services, at the same time, it is the duty of all of us, every Member in the House, to speak out wherever anyone, whether it be an official or a non-official, errs. I have never been able to understand why, whenever any criticism is made about any individual, a departmental head or a subordinate of that department, a cry is at all raised that this will demoralise the entire services In that way these have been bigger things that have been happening in other countries and the services there have not been demoralised. I shall just refer to a case known as the ground-nut case in England, where a Secretary had a part to play That Secretary appeared before the U.K. Public Accounts Committee There was no *mala fide* or anything involved. He came before the Public Accounts Committee—in those days there was only the Public Accounts Committee—and said, "I am responsible as the head of the department, and here I hand over my resignation" That is the standard of conduct which is found in some of the very high class officers. I do not see why this should not be the standard here also.

Our Finance Minister has resigned. He has set a fine example. Just a year ago, the then Railway Minister, Shri Lal Bahadur Shastri, resigned. That was a noble example. I say what is the use of trying to fling mud at this or that party. This party, the Congress Party here in this country, has set very fine traditions and examples which can be copied by anyone in any country whatsoever. Instead of trying to run down this or that, individual and making a party gain, let us see what has been done here. Instead of throwing up our hands in disgust and saying that things are going wrong, we must realise that it is here in this country that such traditions and examples, which make a nation strong, are set. This is what we in the Congress have been doing. I assure you that if this kind of tradition is followed and pursued, we shall continue to grow from strength to strength., whatever the criticisms that are (sometimes very irresponsibly made.

Dr. Sushila Nayar (Jhansi): Mr. Deputy-Speaker, Sir, I rise to support the motion moved by the hon. the Prime Minister this morning. I wish to say with all the emphasis at my command that I have not a shadow of doubt in my mind that this Commission of Inquiry and the Chagla Report are a brilliant instance of the triumph of democracy in this country.

I have carefully gone through the Chagla Report and I have very attentively listened to some of the speeches that have been delivered on the floor of the House since this morning. I wish to make it clear that in democracy, there is a duty that devolves on the people, a duty that devolves on the representatives of the people and a duty that devolves on the Government. So far as our Prime Minister is concerned, and his Government is concerned, I am not aware of a single instance in which the wishes of the representatives of the people have been flouted.

But the difficulty is that hon. Members of the Opposition seem to think that they alone are the representatives of the people and that the other Members who happen to far outnumber them do not have a representative character. They, therefore, throw up one instance after another and say there have been a number of scandals, this, that and the other, and that were flouted; that no action was taken on them and now, because of the accumulation of all that, the Government's hands have been forced by them.

Shri Dange went so far as to claim credit for demanding an Inquiry Commission. That is a most amazing thing. He said the Congress Party joined in that demand. Everybody knows it was an hon. Member of the Congress Party who first of all started it by asking a question; another hon. Member started the debate and the whole party took part in it, and then the hon. Members of the Opposition did join it. But now, for them to try to say that they were the party who really started this and that we joined them, is far from truth. They found the wind taken out of their sails when they saw that the Congress Party was so sincere about their professions which we have often made, namely, though we are not perfect and we have our shortcomings, if we find our fault we are not afraid to expose ourselves to the full public gaze and to take judgment, the object being to learn a lesson for the future and to avoid the mistakes.

Mention was made about a jeep scandal. I believe the matter was discussed and I believe it was in accordance with the decision of the majority of the Members of this House that that matter was dropped. Mention was made about the fertiliser scandal and of Mr. Munshi. Now, I personally feel that it would have been better if that mention was left out, because, as I have looked at some of the old records and proceedings at that time, a question was asked. That question drew the attention of the Government to certain misdeeds that were happening and, as a result of that, action was started against certain officers, and they were brought to book.

This whole business, namely, the question, of ministerial responsibility is a very important question. I agree it is not possible for any Minister to be fully aware of each and every little thing that is happening in this department and that for any little thing that goes wrong at any stage as a result thereof the Minister should

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take the responsibility and he should quit. I think that is taking the thing a bit too far.

There are generally four types of ministerial and executive responsibilities. One is, where the Minister has given clear-cut orders in writing, naturally, the Minister is responsible and the Minister must cover his subordinates. Secondly, the subordinates have to take action, but it falls within the broad purview of the Government policy and there again the Minister has to take the responsibility. The third is where there may be a slight error of judgment on the part of the subordinates which may not really do much damage. In that case again the Minister will cover his subordinates. But if a subordinate goes out of the way, does something outside the policy, something which is dishonest or corrupt, the Minister cannot be held responsible for the actions of such subordinates and the Minister cannot be punished for that.

Now, I come to the instance of Mr. K. M. Munshi. I was not a Member of this House, but if I am correctly informed from those proceedings, it was an instance of the last type which I mentioned, where there was dishonesty on the part of some of the officers and with great difficulty those as a result of the action taken by the Minister, officers were brought to book.

I join the Prime Minister in paying a tribute to many of our officers who have shown honesty, integrity, ability, in the discharge of their duties at a very difficult time after the British had left this country, and have taken full part in the implementation of a number of policies and plans that have been enunciated in free India.

At the same time, I would feel that a little more consultation, apart from the officers, with other people outside would be more desirable and more advisable. The Prime Minister has made it clear that he is sorry that the Investment Committee was not consulted. It should have been consulted. If it was consulted, probably much of this pain and agony might have been spared. Somehow, I am sorry to say that I have noticed very often that committees are appointed not really to take their advice, but merely to get their approval and agreement. It might be said, and I would agree with that, that it is necessary for the members of these committees also to assert themselves and make their point, to see that their point of view is taken note of. But very often the atmosphere is such that anybody who stresses a point too much is considered really a trouble-maker and an unpleasant kind of person and one says, "What does it matter? It is not my money; it is not my affair. Let it be; why should I expose myself, put my head out and get a bad name?". The responsibility is on both sides. I would plead with the Government that a little more heed, a little more attention given to their advice, a little more effort made to seek the advice of those people who are appointed in those committees would protect us and help us a good deal.

It was made clear again that there are two sides. One side is that one might like to take advantage of the L.I.C. incident in order to attack all our economic policies, the policies of nationalisation and so on. It is ridiculous for anyone to try to do so. The Government has, after full deliberation, decided upon the policy of socialisation, a policy of nationalisation and the Government is proceeding in the direction; it must inevitably go forward in that direction. At the same time, the Government has to be careful—and it is being careful and it is taking things in hand step by step—to have them done well, to have them managed well and not to give an opportunity to anybody to criticise and to say that the public sector cannot function as well as the private sector can. In the private sector, it is the private individual whose money he is interested in and therefore day and night he is vigilant. Sometimes it does happen that that amount of vigilance is not kept when that money is not belonging to any private individual or whatever it may be. It is very necessary that every penny of public money is considered by everybody concerned as his or her own money or equipment or machinery. That is a sense of responsibility which each one of us has to develop.

The Prime Minister has also said that training of personnel for some of these jobs is very necessary. There with great hesitation and in a way trepidation, I would like to say that the Minister is a layman very often and he does not know expert things about a particular department. The Secretary, an I.C.S. officer, is a general administrator and he may not have the expert knowledge of that particular department. I do not think this idea that an I.C.S. officer can be shifted from one department to another and he will learn the thing helps us in the peculiar situation in which we are today. More and more nationalised concerns are being taken up and it is necessary that the Minister or the Secretary, at least one of them, should possess expert knowledge of the department they are handling. The Prime Minister has pointed out that they are trying to create more and more facilities for training of personnel for the handling of the various schemes, plans and so on. It is very necessary. I take this opportunity to emphasise once again what I had once before said when I spoke on the Five Year Plan, namely, there is a great need for us to emphasise personnel planning. We must plan our personnel, train them accordingly and utilise them, because it often happens that on the one hand we do not have trained personnel and on the other very often we are not in a position to use the personnel that we train at considerable cost and considerable trouble to ourselves.

The Prime Minister's resolution accepts that the deal has been improper and in that impropriety the whole thing is covered. We find that mistakes have been made and we want to correct those mistakes for the future. At the same time, the Minister has gone. The Minister did perform a very outstanding duty during the tenure he had as Finance Minister. So far as the difficulties that had been created earlier are concerned, for some of them he might have been responsible as Commerce and Industry Minister, as some hon. Members have pointed out. But he did try to overcome and rectify those difficulties to the best of his ability and he had met with a good deal of success. It would have been very nice if he was there to complete the process of correcting difficulties for which he is held responsible by many people to a large extent. Unfortunately, in the setting in which the whole thing came about, his resignation came and it had to be accepted.

Now. what about the others, the officers? They cannot be naturally left alone. The Minister goes and the officers are not touched—that cannot be, because obviously from Mr. Chagla's report, there were people who were responsible and whose responsibility should be further determined. The motive force behind the hurried deal, the motive force behind the doing away with all those formalities and all those precautions that are normal in such deals, should be uncovered and the guilty parties should be brought to book. Therefore, the second portion of the Prime Minister's resolution says that proper proceedings will be started.

Some of the hon. Members of the Opposition tried to make out a case that we were not prepared for a further probe, because some of our highly-placed people were involved and so on. Now, the truth of the matter is that when there is that probe and proceedings which are ensured to the services in our service rules are taken up, naturally there will be an

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opportunity for those officers to say whatever they might have to say in their defence. If there is any proof that they involve any of our party members, however high or mighty they may be, they will be at liberty to produce that evidence or that material and we are not afraid to take the consequences, because if we were, why should we in the first place, have appointed this Inquiry Commission at all? We did and having done that, we are prepared to go further. There is no question of any regret on anyone's part. The hon. Members opposite had said that the Prime Minister's letter had produced that impression on them. He has explained that some of the procedures were not defined earlier, and he has, by quoting from the House of Commons, showed how it is difficult to find a right procedure in this case You may try one procedure and you find some loopholes. You try another procedure and there are some difficulties there also. We are a young, evolving democracy and we are trying our level best to find a way out. The fact which should be taken note of by everybody is that there is that burning transparent sincerity that we want to know the truth, even though the truth hurts us badly.

I would like to say here one word The Prime Minister said that some of our civilians were employed by these business firms afterwards. I wish the Prime Minister and his Cabinet could lay down a rule that this would not be done in future, that this would not be permissible. Because, there are many difficulties and there are many practices, undesirable practices, which can result and have resulted as a result of this. It was discussed in this very House at the time of the TELCO discussion. Some of the people in the Railway Board, who were dealing with TELCO, had become directors of TELCO later on. Therefore, I would say that this business of retired service men of very high positions going and finding jobs with private concerns should be put an end to.

16 hrs.

Similarly, I would strongly urge upon the Prime Minister that there should be some rules as to what the high-placed Governors and Cabinet Ministers can do afterwards and what they cannot do. Because, it is rather unfortunate that this kind of controversy should have arisen as a result of Mr. Munshi taking up some of the cases that have been mentioned on the floor of this House. The respect and dignity of our ex-Governors and ex-Ministers should not be made the subject of controversy and public criticism afterwards.

If there has to be real autonomy for these corporations, naturally there has to be a very careful placing of the personnel in charge of these bodies. At the same time, there has to be effective association of public opinion also with them because in democracy the public is the watchdog The representatives of the people must act as liaison, carrying public opinion to the Government and carrying the policies and views of the Government to the people.

So, it is very necessary that these corporations, which will grow in number in the future, should evolve such procedures and such methods of working by which we can, on the one hand be spared the difficulties and the pitfalls that are there and that will be there in our way, and on the other perform the task in an efficient and able manner, so that we can go ahead with the policy of nationalisation and reach our goal of socialisation, which the Prime Minister and the party have adopted and have emphasized again and again.

Shri U. C. Patnaik (Ganjam): It is well-admitted on all sides that the Chagla Commission Inquiry suffered from certain disadvantages, because there was no investigation, no prosecution and no proper cross-examination in regard to the veracity of the witnesses. Anyway, the Chagla Commission report is there, and on the issue of ministerial responsibility our Finance Minister has igven a statement and resigned.

In this connection, I beg to refer to the responsibility of officers also. Because, Parliament controls the officers through its Committees. The officers are also responsible to Parliament, as they are being paid out of Government revenues. They have got to guide and advise the Ministers. Can the officers take shelter behind the constitutional responsibility of the Ministers, give half-truths or untruths to the Ministers, do not show them the papers and then get some orders, oral orders sometimes, to enable them to go ahead with their work? In this context I would refer to several reports of certain committees of this House with regard to certain officers figuring in the L. I. C. enquiry.

In this case, though the Chagla Commission has not pin-pointed the responsibility on any particular officer, it has referred to the responsibility of the Principal Secretary for the hurried way in which the transaction was put through. There have been several reports of the Public Accounts Committee—2nd Report, 9th Report, 14th Report and 19th Report —where we have a number of cases, not of a few lakhs of rupees but involving hundreds of crores of rupees, in regard to purchase of bad weapons, and the officer concerned in those cases is the same officer who was instrumental in rushing through this transaction.

I would like to bring to the notice of the House certain common features, certain peculiar family likenesses, between this transaction and *numerous scores of transactions that* took place earlier, many of which have been very adversely commented upon by audit and very adversely reported against by the Public Accounts Committee, who recommended from time to time that due enquiries should be made.

But, as you know, unlike in England, where evidence given before the committees is placed on the Table and published, in our country this practice was discontinued some years ago; consequently the Secretaries who appear before the committees and give statements before committees tell their Ministers something else, with the result that Government itself comes out with a statement that the whole thing has been discussed at such and such level and so no action is called for.

I have requested the Hon. Speaker to place all the evidence taken before the committees on the Table of the House, so that the House and the public will be in a position to know the evidence on which the committees have reported, and the Ministers will have an opportunity to know what statements and commitments their Secretaries had made before the Committee. Under our rules, unlike that of U.K., the evidence taken before the committees are kept confidential. The result is that Ministers come out with statements which are contrary to the evidence tendered before the committees by the officials, and the result is that committees which this House has appointed to exercise proper control over the Government are not able to function well.

This transaction can be compared to the several transactions which have taken place earlier, which have entailed our country in losses of hundreds of crores during the last few years. Taking advantage of the troublous times through which India was passing, taking advantage of the fact that enemy forces had come and occupied Azad Kashmir, taking advantage of these unfortunate circumstances, the same official entered into these transactions. This LIC transaction has a family likeness to the transactions I mentioned just now.

In the first place, the normal prescribed procedure is always departed

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from. The transactions are rushed through with amazing speed. The persons with whom the transactions are concluded are not persons with whom one would deal in the normal course of business. The persons with whom these deals were made, in most of the cases, are upstarts with questionable character. In every one of these cases the same officer displayed a serious indifference to the price to be paid. In some of the cases, when some other authorities interfered and tried to bring us cheaper bargains, the same officers backed out of those transactions and said "Nothing doing; we do not want these things." In most of these deals, the price to be paid in respect of complicated machinery, plants etc. was not considered at all.

In every one of these cases, records were not maintained and, if maintained, records were of a very scrappy nature. In most of the cases, transactions relating to hundreds of crores of rupees were put through on oral orders. In everyone of these cases, pliant and subservient people were placed in key positions to facilities these deals. The question arises whether the common features of all these deals are merely instances of simple coincidence or whether there is something else behind them. A full and comprehensive enquiry into all these cases is urgently called for. Now that the Government have accepted the principle that there should be enquiries into such deals, I suggest that all the deals which afford a background of the approach of certain officers particularly involved in this L.I.C. deal, should be enquired into.

I will give only two or three very serious instances. In one particular deal, we wanted a particular weapon, some lakhs of items along with accessories. The price is about £ 4 per item. The quotation was originally £ 6 per item. The Ordnance Consulting Officer was urgently sent for to come here. A meeting took place in closed doors and the price of each item was calculated at £ 7-17-0: a lass of about £ 8 to 10 lakhs in one overnight discussion in New Delhi. That is one instance.

Shri Tyagi: Which year?

Shri U. C. Patnaik: 1950-51. Strim grenade.

There is another feature. There is another peculiarity. The purchase was not made direct from the manufacturer. As soon as our requirements were finalised in Delhi, so many lakh items of this particular weapon, so many fuses, so many other things, suddenly, a company crops up, consisting of three or four retired British Officers with a capital of £ 100 or 200. They say, "we understand India wants these particular items, we are prepared to offer them at such and such price." What is the price? That is the price which was calculated here: about £ 2 over the original price or about £ 6 over the actual price. That group of middlemen are appearing in all our deals on the continent.

In another big deal, the same Defence Secretary went to see the performance of a certain weapon; this same Secretary who is concerned here

An Hon. Member: Which deal?

Shri U. C. Pantnaik: I submit that our weapons and armaments purchases are known m western countries through books and journals. For some reason or other, our Government has adopted a policy of making them secret I would not answer my hon. friend because I respect my Government's making it secret.

This other weapon, I was telling you about. The Defence Secretary went to the continent to see the performance of the weapon. He was highly satisfied. He went not alone. That Ordnance Consulting Officer went with him. The middlemen who are always in the picture, these three or four retired British Officers with £100 and £200 capital companies, also accompanied him. He was so satisfied that he placed an oral trial order for that weapon, about £ 6000 on the middlemen. Later on, it was to be followed by a bulk order. In the mean time, the trial order was there. But, the trial order was oral. So, later on, a telegram was sent from here. The D.G., S and D gave a formal order after the delivery of these trial goods had been taken by Government of India to regularise the oral order on which supplies had been made.

Our Ambassador in France interfered. He said that he could get all the weapons for about 10 per cent less, and, if bulk orders were placed, it will be much less. Then, the same Secretary sends an order that that weapon is not to be purchased in bulk. Had it been purchased through these intermediaries, then the bulk order amounting to some lakhs of pounds would have been placed. Because our French Ambassador interfered and got a reduction in the price, although the weapon was considered effective. the order canceled.

Similarly, another weapon was purchased through the same intermediaries, these retired British officers with £ 100 and 200 capital. The weapons were bought. They were reported by the Technical Development department to be defective. The weapons had a certain crack and they might injure the user, not the enemy. But, that Technical Development Director was demoted and sent away. Some other officer was sent who gave a report that the weapons can be used for trial purposes, at least. The weapons were retained in the country.

Another instance. There are many other instances on the continent, particularly in France. We purchased aircraft. We were about to go into trouble about some of them. Apart from these continental purchases—purchases in France where our Ambassador was not consulted, where the Military Attache to our Ambassador in Paris was not consulted, but an Ordnance Consulting Officer at London was taken all the way and these retired British officials who formed several companies in different names were also taken when these purchases were made—we come to Switzerland.

Mr. Deputy-Speaker: Then hon. Member is paying more attention to those other transactions.....

Shri U. C. Patnaik: I am sorry. In Switzerland, we entered into a number of contracts. We entered into them through a contact man who was always accompanying the Defence Secretary. That contact man got us into contracts regarding the building of certain factories for some crores of rupees. That company which agreed to produce certain munition in some of our factories, could not do so under the Zaharoff Cartel on the continent, could not manufacture that particular type of munition, and had never the know-how of that particular type of munition. Still, they were brought in to manufacture certain munition which they had not yet produced because they are incapable of producing these things under the Zaharoff Cartel.

The same company set up another factory. There also we entered into a contract to get their machinery, their parts, parts purchased by them from other concerns for which we were paying them commission. There was no list of the parts that we were to purchase, the things they were to supply to us. Still, we began paying the whole amount. It is not a small thing.

From the same firm we purchased some munition. Some newspaper reports were there that they are dud munitions. We are told that the Government of India also appointed a high level committee to go into this question. We do not know what is the report of that committee. But,

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one committee was going into it three or four months back examining whether they are dud or not. We would like the Government to examine all these deals.

Another instance—any number of instances can be given—where we wanted for our troops in Kashmir who were shivering with cold, blankets. We did not place the order on the U.K. Government itself. The U.K. Government was prepared to give us these blankets. We purchased from a private firm and all the blankets were found moth-eaten and useless for our requirements.

Shri Braj Raj Singh: They were not available in India?

Shri U. C. Patnaik: They did not try that because Indian goods are not good in the eyes of our officials.

Apart from these, I would like to show a sort of family likeness between these deals. The Defence Secretary had to go every three or four months to make purchases, to make contracts, to meet the contact men, to meet the retired British officials, to take them for weapon demonstration and to meet other contact men in Switzerland Our Defence Secretary had to go once three or four months. No written orders; mostly oral orders; papers not available; if the papers are available, they are of the most sketchy kind. There was the Ordnance Consulting Officer....

Mr. Deputy-Speaker: The hon. Member has to devote his time to the present inquiry.

Shri U. C. Patnaik: I am pointing out the family likeness between these purchases and the other....

Mr. Deputy-Speaker: It is not the conduct of a particular individual that we are discussing. So far as his conduct is concerned in this inquiry, that is admissible. The whole conduct of a particular individual....

Shri U. C. Patnaik: I am dealing with only one thing because the question in this L.I.C. inquiry is, who is the driving force behind the deal, who is the person really interested, who did it with amazing speed without settling the prices, who is the man that might have misled the Minister or the Government and overawed the other officers. For the examination of that question, it is necessary to go into all the deals by the same officer. There is another family likeness also. That is that the baby is always passed on to somebody else. In the many purchases, the baby was passed on to the High Commissioner there or to somebody else. Here the baby was being attempted to be passed on to another Minister who was concerned.

So the question is: what are all these things? I will close with reference to only one or two people. There was the selection of a junior Captain of the Army with the local rank of Brigadier who was associated with all the deals. In 1952, when the Second Report of the Public Accounts Committee was published, he resigned his post on the ground that he was going to Canada. Canada refused to accept him for political reasons. I would not go into it. It is a personal, domestic matter. The then Defence Secretary wanted the gentleman concerned back, and because it was exposed, it did not take place. At this end, he put an irrigation engineer in charge of ordnance factories, who was going with him to finalise the other deals.

So you will find that there is a likeness between these deals and those deals. When Government are inquiring into this Mundhra deal, in order to know the background of the concerned officers, in order to know their past performances, where secrecy in defence has prevented a probe into all these things, I would request Government to look into all those files and to examine them and compare them with the present deal and to take suitable action.

Dr. Krishnaswami (Chingleput): Mr. Deputy-Speaker, Sir, I have to commence on a note of regret. The findings of the Commission have led to the resignation of a very able Minister who was something of a pugnacious character and, therefore, made an appeal to many of us.

Parliament can claim a major share of credit for having focused the attention of the public on the affairs of the Life Insurance Corporation. The Government and the former Finance Minister in particular, deserve to be congratulated on having considered the demand for an inquiry. Indeed, one feels that the terms of reference were sufficiently clear to facilitate the Commission appointed under the Commissions of Inquiry Act investigating and reporting on this whole affair. The evidence was heard in public and the Chief Justice took great pains to find out that the evidence was given to him by people who were willing to disclose their names.

While, it is not open to Parliament to lay down the procedure to be followed by a Commission, it may, none-the-less, be pointed out that, in retrospect, some aspects of the procedure adopted were deficient. Probably the work of the Commission would have been facilitated if the controdictions in the evidence of the former Finance Minister and of the Principal Secretary had been resolved by recalling both of them for purposes of re-examination. All the same, the fact remains that an eminent Judge, on the basis of evidence tendered in public, has arrived at two sets of conclusions. The first set of conclusions dependent on the evidence that has been given, are conclusions which Parliament cannot demur, however much some of them may not be palatable to us. But the second set of conclusions which have been given by the Chief Justice are conclusions on which there can be a very great difference of opinion.

I wish to point out that these are important issues bearing on economic policy which we in Parliament have to examine very carefully. As the Commissioner pointed out, these are lessons which we should draw. These are the lessons which really cause a great deal more of controversy than has hitherto taken place.

I want to point out that there is one major issue which is basic to this whole sorry episode and which has tended to be completely overlooked—more or less completely—in public discussions so far. When one talks of autonomy of a corporation, what is one talking about? I was at a loss to understand what the Commission itself is talking about, because autonomy has nowhere been clearly defined. Clearly, State corporations cannot be completely autonomous as long as they are using public funds and as long as their functioning has a bearing on economic policy. There can be no doubt on that point, and if we talk of complete autonomy, we would be perpetrating a constitutional monstrosity.

I suggest that when we talk of autonomy, what we are having in view is freedom from interference in day to day work. But this implies that there is a policy to be implemented and that the policy is known to those in charge of the corporation and it is open to discussion in Parliament. All this confusion has arisen—and I say it with great respect to my hon. friend, the former Finance Minister—because even after two years of nationalisation, there was no clear policy in regard to investments by the Life Insurance Corporation. It is not good enough to say, as the Commission says, that in the absence of such a policy, section 27A of the old Insurance Act should be deemed to apply. I want to point out that this is one of the matters on which I have to differ from the Commission altogether, and I would like to place my views before the House.

The Commission points out that section 27A of the old Insurance Act had been suspended and no rules

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were substituted in its place. The Commission suggests that section 27A should be made applicable to investments to be made by the Corporation in future. But may I ask, what is the value of this section? The time has come when we should discuss its limitations. What is good for a life insurance company need not be good for a monolithic Life Insurance Corporation. The protection which the insured derive from the operation of section 27A is no greater than the protection given to a policyholder that behind the Insurance Corporation there are resources of the State, if need be.

Surely, the investment policy of an insurance company is bound to be different from that of a Life Insurance Corporation, which has the sole monopoly of all life insurance business which has control over funds running into hundreds of crores of rupees, whose investible funds every week are more than half a crore of rupees and and whose investment policies are bound to affect market trends. It may interest the House to know that the Life Insurance Corporation funds which can be invested run to the extent of Rs. 36 crores to Rs. 40 crores, and that every week we have a surplus of over Rs. 50 lakhs. These figures have only to be stated to show that they have a direct bearing on the price policy and the type of policy that should be adopted.

From this, it follows that the Life Insurance Corporation cannot take the market prices as given. It must, in certain circumstances, accept the responsibility of giving a lead to market prices. In all current discussions, it is regrettable that this aspect of the matter has not been brought out very clearly; nor was it brought out very clearly when the then Finance Minister piloted the Life Insurance Corporation Bill. Some of us suggested that this question should be taken into account, but at that stage when we nationalised it, we were not aware of the absolutely great control that we had over these funds and of the very great change in position that was bound to take place.

The truth of the matter is that the investment operations of the Life Insurance Corporation are bound to be qualitatively different from the individual operations of 200 and odd insurance companies. What the Life Insurance Corporation does or does not do will affect the market much more directly because in a sense, the Life Insurance Corporation is in the position of a price leader in an imperfect market. This makes it all the more necessary that our idea should be clear as to the purposes for which insurance funds are to be employed. The criterion laid down by the Commission and suggested by Shri Deshmukh, a former Finance Minister, is extremely narrow since the control of the LIC funds is a potent instrument which a Government is quite entitled to use in furtherance of its broader economic policies. The only qualification, and it is a major qualification, to this rule is that in this process the interests of the policyholders do not suffer either by way of loss of yield or impairment of security.

A lot of irrelevant, and indeed misleading, argument has centered round the fact that the investments in question were made in the private sector. Let it be understood that the resources of the Corporation represent private savings and, provided the interests of the policyholders are protected, there is no reason whatsoever why they should not find an outlet in productive activity in the private sector. In fact, this distinction between the private and public sectors is in the present circumstances illusory or virtually obliterated. It is clear that Richardson and Cruddas, and Jessops, to mention but two names, are kept busy mainly because of the demands of the public sector. The real trouble has arisen, and I suggest it with great deference to my friends opposite, because the Life Insurance Corporation was not given a policy in terms of which it had to operate. Probably the policy was not clear even in the minds of those supposed to frame it. Now that we are reviewing the Chagla Commission's report, and taking to heart the lessons from what has transpired, the time has arrived when we should find out what exactly the policy was and how it should have been followed. I suggest that this is a very important matter which has to be taken into account.

There is a great deal that has been written about the Executive Committee and the Investment Committee, but what does all this amount to? This paraphernalia of an Executive Committee and an Investment Committee was virtually functionless because the policy had not been laid down. Once the policy has been laid down by the Government and Minister in charge, the mechanics of implementation of that policy would arise, and then the Investment Committee and the Executive Committee would come into their own. On the other hand, all this confusion about the so-called blue chips policy which the Finance Minister accepted was his, or this policy of supporting the stock exchanges to prevent a crisis in the market which the Principal Secretary carried out with the knowledge and concurrence of the Minister according to the Commission, would not have occurred had we known what the policy was being followed. I therefore suggest that for the past two years we have not been able to find out the importance of having nationalised the life insurance business. We had in our hands tremendous resources, but we did not have the knowledge to use them properly. We stumbled into some policy or the other. Sometimes we followed a policy of blue chips as termed in the Commission's report, but the policy of blues chips could certainly have its disadvantages unless and until it was backed by considerations of other economic forces. For instance, one can easily realise that the policy of blue chips might have driven the bears away from the approved securities to the unapproved securities on the market and created a greater strain on the stock exchanges than usual, but then it is a regrettable fact and it is a sad commentary on our Cabinet Government that apparently Cabinet approval was not sought for whatever policy was supposed to be carried out. It also shows up, let me state this with great deference to you Mr. Deputy-Speaker, the lack of control which Parliament has today over policy-making even in respect of such an important issue as the investment of the Life Insurance Corporation's funds. Virtually Parliament was reduced to a state of impotence, and it certainly found its position and got into the picture only when things went away and when skeletons in the cupboard were exposed to public gaze.

This absence of a clear-cut policy also cuts at the root of a healthy relationship that should subsist between the permanent services and the Ministers. Either a civil servant must adopt a policy of doing nothing at all in the absence of clear instructions given in the normal secretariat manner, or he must execute policies which he thinks have been laid down by the Minister. In doing so he runs the risk that he may have misunderstood the ministerial policy or that ministerial policy may itself have fluctuated in the meanwhile and it is extremely difficult to find out what the policy is. But out of all this misfortune which has entailed the loss of office on the part of a Minister, certain lessons have emerged which I suggest we should take to heart.

We have abundant resources at our disposal to control economic activity without sacrificing the interests of the policyholder, but knowledge of its potentialities has been denied us until the present. Stumbling in the dark, confused, sometimes formulating an inchoate doctrine liable to be understood or misunderstood by the Principal Secretary, we have blundered and paid the price by the resignation of a Minister. Let us hope that

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in the near future a policy will be evolved and presented to this House, taking into account all the economic potentialities of the Corporation's funds which are huge and which are at our disposal, for its approval. I very much hope that it will be possible to present this policy to us in the near future. Until then, one cannot say that one would accept the seven lessons which have been recommended by the eminent Commission. After all, it is the responsibility of Parliament to formulate the policy, and while eminent people, eminent Judges have got the right to propound suggestions, the ultimate responsibility must be that of Parliament. I suggest that the seven lessons which have been propounded by the Commission are merely *obiter dicta,* and not necessarily things which have a binding force on us, but since they have come in the wake of an enquiry, let us by all means examine them, but let me also point out that we have to take into account all the realities of the Corporation's position in evolving a rational policy Do let us remember that the funds that we have at our disposal are likely to affect the markets much more appreciably than the funds in the hands of 200 different companies. We are in the position of a market-leader, and possibly one of the historic functions which we might have to perform and which might have a greater repercussion on equalisation of economic opportunities in our society, is to make the stock market more perfect than ever before. It would present many difficulties, but certainly once this policy is evolved, the mechanics of implementation can be left to the Executive Committee and the Investment Committee, and if they really make a mistake about implementation, we as Members of Parliament would have an opportunity of controlling them.

I have never been a believer in a purely monolithic corporation. While accepting the principle of nationalisation of life insurance, I ventured to suggest that a single monolithic corporation would have its disadvantages and that we should have four or five corporations operating, so that as a result of competition we might have greater advantage, but since we are in the initial stages and since it might be necessary to evolve a policy, let us at least now evolve a rational policy relating to investment of funds, and then it will be time to think of how far we can have better relations between the permanent services and the Ministers My own view is that in all this tragic tale, the real reason for there being so much misunderstanding between the Minister and the permanent services is due to the fact that we were confused, that we had no policy and that we just fumbled, and since we fumbled along, we met with very-near disaster.

Shri Morarka (Jhunjhunu): I wish to begin my speech by referring to two points which the Leader of the Communist Party made this morning. Apart from the various political slogans which he enunciated here, so far as this report is concerned, he made two grievances

One was that the Prime Minister's remarks on the file in the month of September were there before the commission and that the Prime Ministers should have made certain statement explaining what those remarks pertained to, and what the occasion to make those remarks was. In this connection, I would like to draw the attention of the hon. Member to the fact that when the ex-Finance Minister went before the commission, he handed over the entire file containing the Prime Minister's remarks to the commission, only with this further statement that the file contained many confidential documents. From that file, the commission read out such portions as it considered relevant to this inquiry, and it did not read out the other matters which were not strictly relevant. Therefore, to say that the Prime Minister should have made a statement before the commission as to why he made those remarks, and in the absence of any statement, the matter remains unexplained shows that the hon. Member has not cared to read the evidence, because it is in the evidence which has appeared in the newspapers that the whole file was there before the commission, handed over by the ex-Finance Minister, and the commission read out such portions as it considered proper and relevant.

The second grievance which he made was that the Prime Minister said that the ex-Finance Minister's responsibility in this transaction was the smallest. Now, I would say that the entire record of this inquiry runs into approximately two thounsand follscap typewritten pages, including the exhibits etc., and if one cares to go through the part played by the ex-Finance Minister, one will see that it hardly occupies a page. But, unfortunately, the hon. Member opposite did not even care to go through that portion. Otherwise, he himself would have realised that even if we took into consideration the evidence given by all the witnesses against the ex-Finance Minister the only thing that it would come to would be that at some stage, casually or generally, it was mentioned to him that these shares worth a certain amount were being purchased from Mr. Mundhra. That is not disputed even by the ex-Finance Minister. He himself has said that, and the judge has mentioned it in his report and also the implications of that.

Coming to the substitute motion in the name of the Prime Minister, I wish to say that this motion has three parts. The first part is to the effect that it is accepted by Government that this transaction was not entered into in accordance with business principles and was also opposed to propriety on several grounds.

It is quite clear, in the first place, that this transaction was entered into by the persons who were not at all entitled to enter into or negotiate this transaction. It is now a matter of public knowledge that the principal finance secretary negotiated this whole transaction. In this connection, you must kindly remember that there are three transactions with Mr. Mundhra. The first set of transactions was in March-April, 1957; the second was in June, and the third was in September. It is surprising that all these transactions were negotiated by the same person, the March-April transaction over a telephone from Delhi, the June transaction by personal discussion in Bombay, and the third transaction by a letter from Delhi in September.

Then again, it would be interesting to know that the reason given by the Principal Finance Secretary for the third transaction, namely the September transaction, was that since they wanted to have a seat on the directorate on some of these companies, they thought it proper to have some more shares But as it is now known, it was agreed as early as June that whenever the Life Insurance Corporation wanted to appoint any director, Mr. Mundhra would see that a director is appointed. This fact was mentioned in Mr. Kamat's letter dated 16th July, to Mr Kaul. It also transpired that Mr. Kaul had brought this fact to the notice even of the Minister later on, that if the Life Insurance Corporation wanted to appoint a director, then Mr. Mundhra had given an undertaking to get the director appointed.

This transaction was also improper on the ground that the shares were not purchased in the open market and through the brokers. Such a big lot of shares were purchased from one individual by private negotiations, and the manner in which the price was fixed was highly objectionable. It transpired in the inquiry later on that on the particular day, two brokers h manipulated the price in such a way that the prices went up, and at these increased rates, the corporation was compelled to buy those shares. It is interesting to note these two brokers were the brokers of Mr. Mundhra. Later on when the Calcutta Stock

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Exchange came to know that these prices had been manipulated in this way, they struck off those prices and restored the original normal prices which were much less than the prices at which these shares were purchased.

There is another interesting ground on which this transaction can be called improper, and that is, that when some of the shares which were purchased could not be delivered, Mr. Mundhra was allowed to substitute other shares in place of those shares. In other words, the corporation was prepared to accept whatever shares he was prepared to give, as long as the amount was kept intact. That is also improper.

Another point which has also been mentioned by many hon. Members here that neither the Investment Committee nor the board of directors of this corporation was ever consulted. Constitutionally and legally, the board of directors of this corporation was the only competent body to make any investment. But, surprisingly enough, this body has been completely sidetracked, and neither the Investment Committee consulted nor this board was allowed to make this investment.

Now, it has been said that there was no harm in buying these shares, of Mundhra controlled companies because they knew that Mr. Mundhra was not interfering in the management of these concerns. But it would be interesting to note that at the time of purchase, nobody cared to examine the actual position of the companies, the shares of which they were negotiating to buy. If they had taken care, they would have discovered that in Jessops alone, Mr. Mundhra had removed Rs. 65 lakhs for the purchase of Richardson & Cruddas's shares which shares he never delivered. What is the use of saying that a person is not interfering in the day-to-day management, when he took the very life out of the concern and crippled the concern. He might not have interested himself in producing this thing or that thing or on any other technical matters. My submission is that if proper care had been taken to study the facts before actually this transaction was put through, certainly, these facts would have been known. On these grounds, I feel that this transaction was unbusinesslike and highly improper, and so, the Government's decision to accept the finding of the commission is perfectly justified.

Coming to the second part of th motion, which deals with initiatin appropriate proceedings on the basi of the findings of the commissio against the officers responsible, I thin there is a lot which requires to b done. If one were to read some o the things which came before the commission, one feels really surprised For example, in one of the letter which Mr. Mundhra wrote to Mr Patel, he says that Mr. Patel shoul use his good offices to ask the bank from which Mr. Mundhra had borrowed money, either officially or unofficially, not to press for the payment. shall read out the relevant part fron that letter which is dated 24th June 1957:

> "I would also like to request you, till I am in a position to reduce my borrowings from the banks by either selling some of my concerns or by reducing it from loans which I might be granted, as per my request, from the Life Insurance Corporation, to please issue necessary advice to the banks with whom I have dealings, either officially or unofficially not to press me for paying them money, until such time I am in a position to reduce my borrowings by methods already proposed to you. I am sure Sir, you will agree to arrange accordingly."

This, Sir, is a very strange request to make to a Principal Finance Secretary of the Government by an individual. One could not make such a request unless one was on terms o much intimacy with the Finance Secretary. Besides this I think, there are many other things which requir explanation from these officials. And that is why I feel that the second portion of this motion is highly commendable, *viz.* that proper proceedings should be initiated into the conduct of these officials.

Similarly, the conduct of Shri Vaidyanathan. After all, the Principal Finance Secretary or the Minister or anybody, whoever it may be, has left the matter of fixing the price entirely to the Managing Director. I say some of the things which are highly objectionable are done at this stage. The prices have been fixed in an amazing manner without any regard to the prevailing market price. There is no definite understanding as to what the prices are to be. It is something in the minds of Shri Vaidyanathan and it is something else—quite different in the mind of Shri Patel. Shri Patel meant the prices ruling on the 21st and Shri Vaidyanathan understood it to be the prices ruling on the 24th. All these things require a thorough probe as to why this unsatisfactory method of investing such huge funds was adopted.

In this connection, I would also like to mention that while the Government has given us information about purchase of shares in the 6 companies in which Mr. Mundhra had a controlling interest, there are some shares which have been purchased from Mr. Mundhra in companies in which he did not have a controlling interest, about which the Govt. has not given us any information, for example, the Indian Cables Ltd.; we find that shares worth about Rs. 5 lakhs were at one time purchased from him.

Similarly, there was a question here of some shares of Elgin Mills purchased from him. The Government must also enquire about the total amount that was put at stake so far as Mundhra is concerned i.e. his shares are concerned.

An Hon. Member: It is a subsidiary of the BIC.

Shri Morarka: But yet the amount paid to Mundhra for Elgin Mills was different from the amount paid for BIC shares. So, all these things must be brought out.

The third point is about the recommendations of the Commission, the 7 principles enunciated by the Commission. Whether all these are accepted or not, I would strongly urge the Government to accept at least one immediately that is the application of section 27A. It is a salutary provision and its application would cure most of the things automatically. These present difficulties arose because this section was not applied.

An assurance was given on the floor of this House by Shri Deshmukh and then it was also made a part of the Life Insurance Corporation Act that that section would be made applicable as soon as ever possible. Sir, more than 18 months have passed and that section has not been applied at all. I repeat all these difficulties arose because of that. Had that section been applied even in the modified form, I think, this damage could have been avoided. Even if there were some defects they could not have done much damage as has been done in this case.

Finally I would like to say a word or two about the non-official directors. It has been said that this Corporation must be administered by persons who are non-officials and who are of outstanding financial and business ability. It is very good. But, in this particular case, you will please see what has happened. Out of 15 directors, 7 were non-officials and men of independence, who were not government servants and who had nothing to do with Government, in the sense, who should not have been afraid of Government and who should not have been paralysed by the presence of the Principal Finance Secretary in Bombay.

These directors even after this transaction was put through, or even

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after it was raised here in this Parliament, none of them, the non-officials, ever raised their little finger of protest or resentment. Why not? There is no explanation as to what happened to these non-officials. In all fairness, I think, they should also tender their resignation. If there is one body which has abdicated its function, it is this Board of Directors. The Board of Directors is primarily responsible for all the investments and, if they abdicated their function, they should no longer continue to serve this Corporation. The Minister has resigned and gone, the officials are going to be suitably dealt with but what about these non-officials? I cannot understand why these people are not asked to resign. They should go simultaneously with the officers and other people. If we allow this type of lapse on the part of the non-official then directors in our big Corporations, like the State Bank of India, the Reserve Bank of India and others would become nonentities and they would become careless and take no interest in the affairs of the Corporation on which they are appointed.

Therefore, I strongly urge upon Government that these non-officials should also be made to realise their responsibility which the Parliament has laid on them.

Shri Anthony Pillai (Madras North): I would like to charge the Prime Minister with as much responsibility for the L.I.C. deal with Mr. Mundhra as is shouldered by Mr. T. T. K. What are the basic features of constitutional responsibility? In the strictly legal sense, the Minister is ultimately responsible for all the actions of his permanent officials, irrespective of whether he knows the action or does not know the action. But, we are concerned here not with the legal aspect of this question but with the moral aspect, the question of personal responsibility.

It has been said that if the action of an official is in line with the general policy laid down by the Minister, irrespective of whether the minister knows about that action or not, he must hold himself responsible for the action of the official. On the other hand, if the action of the official is at variance with the policy laid down by the Minister, even then, according to Justice Chagla, if he acquiesces in that action through a failure to chastise the officer concerned, undoubtedly, he would be held responsible. If we apply this particular criterion as to whether the Prime Minister too acqiesced in the Mundhra deal, then, I am afraid, he too must bear the burden of the responsibility.

In the closing part of his evidence before the Commission, Shri Feroze Gandhi, who apparently seems to have a great deal of admiration for Mr. Nehru, stated that the vigilant Prime Minister on September the 19th, had ordered the Finance Ministry to take action against Mr. Mundhra and directed that before taking such action, the Life Insurance Corporation should be consulted. It would clearly indicate that the Prime Minister, during his stewardship of the portfolio of Finance, when Shri T. T. K. was away, was fully aware of the L.I.C. deal with Mundhra. Otherwise, the remark that the L.I.C. should be consulted would not have been indicated in that note. If, therefore, he was privy to the transaction, he must be deemed to have acquiesced in it by failing to take immediate action against either the Minister or the officers of the Finance department. What is sauce for the goose must be sauce for the gander. And, since he has accepted the resignation of Mr. T. T. K., it would be in keeping with the highest traditions of constitutional responsibility if the Prime Minister himself tenders his resignation to the President. Now, I would

17 hrs.

like to repeat it. After all the theory that this House has accepted is that if a Minister has acquiesced in an action, even though that action may be at variance with whatever policy he may have laid down and if that acquiescence is proved through failure to take action against the permanent official, the Minister must be held responsible for that action, and that is the basis on which Mr. T. T. K. has resigned and the Prime Minister has accepted his resignation.

17.01 hrs.

(MR. SPEAKER *in the Chair*)

Why cannot he accept the same stand as far as he is concerned? The Prime Minister clearly states in a note that action should be taken against Mr. Mundhra. He also states clearly in that note that the L.I.C. should be consulted. He knows there is some connection between the L.I.C. and Mr. Mundhra.

Shri B. S. Murthy: Because of that note he should not resign now.

Shri Anthony Pillai: Secondly, in his explanation offered by Shri T. T. K. yesterday with regard to the letter that was written by an officer in the research section of the Reserve Bank to an official in the Finance Ministry, he referred to the note calling upon the Principal Finance Secretary to look into the matter as it did not make good reading. Before a reply could be received as to what action has been taken, Shri T. T. K. had left the country, and the charge was passed over to the Prime Minister. We must, therefore, presume that whatever enquiry was conducted at this stage would have been continued during the period that the Prime Minister held the portfolio of Finance. If according to Shri Feroze Gandhi, he is as vigilant as he is deemed to be, he should be presumed to have information about the L.I.C.-Mundhra deal and therefore, my accusation is that he too has acquiesced in this matter and he has waited till it exploded in Parliament for the setting up of a commission of inquiry.

Next, I would like to deplore the action of the Prime Minister during he conduct of this enquiry. Just a ew days before the report was finally written, a well-timed and calculated statement was made by the Prime Minister praising certain individuals and also suggesting that whatever may be the conventions of constitutional responsibility in the U.K., we in India might not be bound by it. In my opinion, this is rather a well-timed attempt to influence the Chagla Commission and should be condemned by this House. There should be praise for the independence and impartiality that has been exhibited by Mr. Chagla in submitting his report. Such display of independence is indeed a welcome phenomenon ...

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It is pertinent to refer to the shortcomings of this investigation. There are very serious shortcomings in the investigation, in my humble opinion. The decision to make it a public enquiry was good, but at the same time it would have been better, if a little restraint had been observed so that what was to be a judicial probe did not degenerate into a public pillorying The glare of publicity imported an element of drama into the proceedings, with the regrettable consequence that some of the persons were tempted to play to the gallery, while on others it had the effect of making them reticent. As the enquiry proceeded, one got the feeling that the main characters, Messrs. Patel, T. T. K., Bhattacharya and Iengar were speaking as though they had predetermined roles with Mr. Patel cast in the role of a self-immolating sacrificial goat.

Shri Jawaharlal Nehru: In what character is Mr. Iengar coming into this picture—at any stage or at any time? Is it anywhere in the report? Where does the hon. Member get hold of the name in the proceedings?...... (*Interruptions*). He said that one of the main characters is Mr. Iengar. I should indeed be grateful if he enlightened me how Mr. Iengar becomes the main character or a minor character or any character at all.

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*Expunged, as order by the Chair.

Shri Braj Raj Singh: You were pleased to say that the evidence might be placed before the House. It comes in the evidence.

Mr. Speaker: We have been following the proceedings in the newspapers. As far as I remember, when somebody wanted to have a counsel on behalf of Mr. Iengar, Mr. Chagla himself said that he would not refer to Mr. Iengar or to the Reserve Bank. Nothing would occur and no reference would be made in the proceedings. Therefore, he need not worry. These were the very words which I read in the papers. The other day the hon. Prime Minister said in answer to this request that the proceedings as had been taken down did not seem to be as satisfactory as that had appeared in the newspapers. Otherwise, it would have been allowed. It was possible to the Members to go through the papers. Let us not go into the matters which are not referred Various things are referred to during the course of the evidence Unless there is reference or any adverse comment has been made in the Report, talk of high officials ought not to be brought here.

Shri Jawaharlal Nehru: Sir, I do not wish to persist in interfering, but I think the hon Member is in error. I am really pointing out his error that he is referring to it because he has perhaps got a number of names without realising who is what, and I think he might be a little more precise I should like to know, apart from any legality altogether, what part Mr. Iengar played in the whole transaction. He said he was the main character. I said "main, minor or any character". I should like to know from him.

Shri Anthony Pillai: I would like to educate the Prime Minister because, apparently, he has not read the proceedings in the newspapers. I have read them carefully (*Interruption*).

Mr. Speaker: Order, order. It is unfortunate. So far as Mr. Iengar is concerned, is there any reference in the report, any adverse comment about him in the report?

An Hon. Member: Reference is there.

Shri Nath Pai: He came in for the most handsome compliment from so big a man as the Prime Minister.

Mr. Speaker: Order, order. A reference is made in some letter or somewhere and some evidence about Mr. Iengar is there. Is he one of those persons concerned in the L.I.C., or is he one of those persons against whom any adverse comments have been made in the report?

Shri Jawaharlal Nehru: Any comments.

Mr. Speaker: Any comments for the matter of that, adverse or otherwise. Let us be clear on that.

Shri Anthony Pillai: The Prime Minister wanted me to educate him on this point I am ready to undertake it

Mr Speaker: It is unnecessary. We need not go into these matters with respect to which comments, adverse or otherwise, are not made in the report. Let us confine ourselves to the report.

Shri Anthony Pillai: Sir, I would like to make one point.

Shri Nath Pai: Sir, on a point of information.

Mr. Speaker: Order, order please.

Shri Nath Pai: Sir, we have been struggling to say something. We should be given a chance.

Mr. Speaker: Order, order. I will have to ask the hon. Member to withdraw from the House. He does not observe the rules of decorum in

House. I mean Shri Nath Pai. He is going on talking (*Interruption.*) Order please. When I asked Shri Anthony Pillai to speak why should he interrupt?

Shri Nath Pai: I sought for your permission, Sir, to ask for some information. You can throw me out if you so desire; I would submit to it.

Mr. Speaker: Order, order. That is not the right way. When an hon. Member is speaking there should not be interruptions. After he closes his speech I will call other Members.

Shri Nath Pai: I sat down, Sir, when you said so. I did not persist.

Mr. Speaker: Order, order He did not perceive what he was doing.

Shri Nath Pai: May I know, Sir..

Mr. Speaker: I am not going to allow any interruption.

Shri Nath Pai: I seek an opportuity, Sir, and you do not give it.

Mr. Speaker: An interruption is an interruption.

Shri Nath Pai: We seek an opportunity, Sir, and you are making an allegation that we do not observe rules.

Mr. Speaker: The hon. Member is not on his legs. He is not making an allegation.

Shri Nath Pai: If we are on our legs you say that we are rude.

Mr. Speaker: I am not going to allow this kind of interruption.

Shri Nath Pai: Very well, Sir, I submit to it.

Mr. Speaker: Shri Anthony Pillai.

Shri Anthony Pillai: No doubt Mr. Iengar holds a very important post, He is the Governor of the Reserve Bank, and when we criticise him or discuss him, undoubtedly, we have got to exercise restraint and we speak with a sense of responsibility.

Shri Jawaharlal Nehru: Where is the reference in the report. I still ask (*Interruption*).

Shri Nath Pai: Sir, the Attorney General......Sir, will you give me a chance?

Mr. Speaker: Order please. What I would say is this. One hon. Member is on his legs. He refers to a particular person. Some objection is taken that no reference is made. Should not the hon. Member who made the reference explain it? Why should all the other hon. Members get up and say that they will explain. Are you holding a *vakalat* for him. Let him speak (*Interruption*). Order please. This is not the way to get on with the debate in the House. An hon. Member rises in his seat and makes an allegation. He refers to a partcular statement. He is bound to explan it. If he does not explain, other hon. Members may note it down and wait. If it is such a serious mistake, when it comes up I will allow an opportunity to other Members later on. It is not as if all can speak at a time. If he is unable to speak he must close his speech and sit down. There is no meaning in every hon. Member, all the 500, going on saying: "I will answer for him".

Shri Jawaharlal Nehru: It was Shri Anthony Pillai who offered to educate me. I am prepared to be educated by him and not by everybody (*Interruption*).

Shri Nath Pai: I will never take such an impossible task here.

Mr. Speaker: It is not necessary to educate anybody here.

Shri Anthony Pillai: As I was saying, Mr. Iengar appeared as a very important witness in these proceedings. Mr. Patel deposed that he had discussed this particular deal in his presence, and in the report there is the discussion with regard to the conflict of evidence. Therefore, Mr. Iengar's

[Shri Anthony]

evidence is of importance and Mr. Iengar role, whether major or minor, is a matter which it is necessary to scrutinise. I would like to make only one submission. From the record it is clear that Mr. Iengar received a copy of the letter addressed to Mr. Patel dated 21st June. He received the letter on the 22nd June in which he is addressed as 'Dear Iengar'. There is also reference to a previous discussion. Now, is it not one of the important duties of the Reserve Bank to advise the Government with regard to these matters? Both before and after this deal various reports from the Reserve Bank have been sent to the Government advising them with regard to the nefarious activities of Mr. Mundhra and the possible effects on the economy of the country. Here the highest man in the Reserve Bank, the Governor, receives a copy of a letter in which there is a proposal for the L.I.C. to enter into a deal. Is it not his elementary duty to warn the L.I.C. and the Government that this proposition should not be touched, to use Shri Feroze Gandhi's favourite phrase, with the tadpole's tail? Is it not his elementary duty to warn also the L.I.C. that these transactions would result in disaster? He has failed to perform this elementary legal duty cast on him. Is not that a fair comment to make about him?

Shri Jawaharlal Nehru: This, I think, is Mr. Pillai's conclusion and not Chagla's. Of course, he is substituting himself, for the moment, for the Commission.

Shri Anthony Pillai: It is not my duty here to give an elementary paraphrase of Mr. Chagla's Report in words of one syllable. It is my duty to comment on the report, and I am performing that duty of commenting on the report. If the report has left out anything it is my duty to point out the errors of omission.

Mr. Speaker: The hon. Member must conclude now.

Shri Anthony Pillai: I have just started, Sir.

Mr. Speaker: I have given him 21 minutes already.

Shri Anthony Pillai: I must be given adequate time, Sir, because I have just started. I was interrupted all along the line.

Mr. Speaker: He will have two more minutes.

Shri Anthony Pillai: Sir, I would like to make another comment with regard to this report. There is no assessment of responsibility. It ends up with a final conclusion that we must be concerned about only ministerial responsibility. There is no attempt to assess the responsibility of Mr. Patel. In fact Mr. Patel has been let off very lightly. All that is said in the report is that he is "concerned with the transactions". Those are the exact words of the Commission. There is no assessment of the responsibility of Mr. Kamath. There is no assessment of the responsibility of Mr. Vaidyanathan.

I will give an instance. Mr. Kamath is a permanent official and I presume he will be defended by the Members on the other side. He is a gentleman who is totally colour-blind, and he is asked to implement the 'blue chip' policy. In his letter of 12th July to the Minister he includes the BIC shares as 'blue chip' shares when BIC has not been able to pay a dividend of even one per cent during the last three years. Now, are we to allow an official who cannot distinguish a 'blue chip' from a 'black chip' to continue as the head of an institution where the investment capacity is Rs. 10 lakhs a day? And, here is a gentleman who admits before the Tribunal that he does not know the rules and regulations of the Corporation which he is supposed to administer. Here is a gentleman who says that it did not occur to him that there was a possibility of the share prices being manipulated. Could innocence and gullibility go any further in an institution where every day shares to the tune of lakhs are purchased. This one instance of gullibility has cost the Corporation and the policy holders Rs. 9 lakhs.

Take again the responsibility of Mr. Patel. In comfining himself to the question of ministerial responsibility, the question as to whether Mr. Patel was correctly advising the Minister of Finance has not been dealt with at all. It is admitted on all sides that the rationale for this deal is both flimsy and fallacious. He has not been shouldered with the responsibility of developing this tradition of not consulting the Investment Committee while he himself was Chairman of the Life Insurance Corporation. He is not saddled with the responsibility of inducing the LIC officials into a transaction which is patently not a good investment. In these respects, Sir, I find the Chagla Report inadequate.

Another comment that I would like to make about the Enquiry generally is this: that there has been no cross-examination of witnesses. There is a self-imposed inhibition. Mr. Chagla said in reply to an application made by some policy-holders: "the men appearing before this Commission are men of status and I would not like any question to be put to them without proper substantiation". The net result is that depositions were made and there was no cross-examination, and instead of a cross-examination a whole weight of suspicion is thrown upon them afterwards. It is both unfair to the public and unfair to the witnesses who appeared before the Commission.

I will cite one particular instance. In his opening address, Mr. Setalvad says that undoubtedly there is an important linkage between the State Bank and Mr. Mundhra. In a letter written by Mr. Vaidyanathan, it is stated that there are instructions that he should not pay to Mr. Mundhra before consulting the State Bank. But when Mr. Vaidyanathan appears in the witness box, when Mr. Bhattacharyya enters the witness box, they are not cross-examined about these points. This suspicion is left there in the air for anyone and everyone to build any edifice upon, but these gentlemen themselves are not asked as to whether the State Bank had any interest in the LIC deal or not.

Mr. Bhattacharyya assists at these discussions, and it would appear—at least a suspicion is created in the minds of the people—that the baby is being passed from the State Bank to the LIC because the State Bank has perhaps been overlending money and there was a danger of the monies lent to it being affected by the fall in the prices of shares of the Mundhra concerns. These are suspicions which occur to any man with common sense, reading the evidence.

Therefore, my submission is that this self-imposed inhibition that men of status should not be cross-examined undoubtedly leads to that final conclusion of Mr. Setalvad that right through these proceedings "we have a feeling that the truth has not yet been told to us." There is undoubtedly some powerful motive which was not unearthed; but it was the duty of Mr. Chagla and Mr. Setalvad through cross-examination to discover these motives and to discover the true facts of the case. And that is why today there appears to be a necessity for a further probe into this proceeding, because the manner in which these proceedings are conducted do not guarantee the whole truth coming out. There was courage displayed by Mr. Chagla and Mr. Setalvad, but that courage was limited. There was a fear that beyond what had been deposed there might be further fish to be caught. There may be several other big fish that may be dragged into the net and they thought that one big fish was enough.

Mr. Speaker: The hon. Members time is over.

Shri Anthony Pillai: I may be given one more minute.

Mr. Speaker: No. I have given him 25 minutes. Shri Thanu Pillai.

Shri Thanu Pillai (Tirunelveli): Mr. Speaker, Sir, we have taken into consideration the report made by Mr. Chagla, and I am sorry to participate in this debate after losing the services of an able Minister whom we were able to congratulate only a few months back. I wish to say that whatever the outcome of this report, which the hon. Members opposite have taken opportunity to criticise, and ridicule us, we are proud that we took this decision.

I would like to submit that the Finance Minister has sent his resignation not as an outcome of the findings of this Commission, but because, even with a little doubt, about his integrity, a man of his stature and holding that high office did not want to continue in that office. It is his own making that he resigned. The Prime Minister was reluctant to accept it for a long time, but then, for whatever this report is worth, the Prime Minister has ultimately accepted his resignation.

My hon. freind Shri Anthony Pillai has said that if one result flows, as a consequence the other must flow. Therefore, I submit that the Finance Minister has not resigned as an outcome of this report but by myself to show his integrity and his prestige and honour.

Coming to the Inquiry itself, we have been digressing too much from the report and many other matters were imported. The hon. Member, the leader of the P.S.P., whom we all respect very much for his age and his past associations, said something about the private sector giving money for Congress elections. I am prepared to accept an enquiry as to how funds are made available for the Congress, the P.S.P. and the Communist Party and all other political parties.....

Shri Naushir Bharucha (East Khandesh): All right; let us have it.

Shri Thanu Pillai....and I am sure our position would not be worse than somebody else's. On the Madras elections, Acharya Kripalani has said that Shri T. T. Krishnamachari was assisted by the funds to influence the elections. I say that the private sector funds were made available against him and not for him. I am prompted to say that, because tons of money came from some forum—the Forum of Free Enterprise. I am told that Madras was flowing with money, but the result was otherwise. The motive behind this and the stage for this was not set today, and it is not with the Mundhra deal but long, long ago.

Every Finance Minister who begins with something new, who sets up some dynamic action, sees the grave of his career in this chair of Finance Minister. That has been the past record. Mr. Deshmukh came. He is not there. Mr. T. T. Krishnamachari brought wealth-tax and expenditure-tax and he is not here.

Shri Nath Pai: Shri Deshmukh is out because he fought for justice.

Shri Thanu Pillai: This is the experience. There is something very difficult and dangerous about the chair of Finance Minister The Finance Ministers come and sit there and come here and say good-bye and go. .That has been the experience. So, we are not sorry that Shri T. T. Krishnamachari has gone

Shri Feroze Gandhi (Rai Bareli): Shri Bhagat is the sole survivor.

Shri Thanu Pillai: He is not going to sit there for long even if he comes. If the hon. Member comes, he will also go. That is a dangerous place. What I say is, the whole set-up is vitiated by this.

Now, I am reminded of an old story, a small story.

Mr. Speaker: Leave it. Please come to the Chagla report.

Shri Thanu Pillai: I would explain that with the story. A person fell ill. His attender was always attending on him and people were enquiring of him. He was an important person and a big employer. His personal servant was daily attending on him and was sleeping there in the room. Now, everyday one person used to come and knock at the door and enquire how the man was faring. One day the servant was worried, because he was disturbed very much. He got angry and asked that man: "Why don't you go and see for yourself? Why do you come and disturb me in the early morning like this?" Then, with that angry face he went to his master. His master asked him "My servant, why are you worried? Is it that I have given you much trouble?" The servant replied: "No Sir; I am not worried about that trouble. I am prepared to serve you for ever. But some man is knocking at my door everyday. I was angry with him. That anger was still there in my face when you saw me." Then the master told him, "you please note down his name, address and everything when he comes to see you tomorrow morning. Also ask him what he is after." The next day when that man came, the servant asked him his name and profession, he replied "I am a trader." "What trade" asked the servant. He replied "I am a coffin seller."

Now the very approach in this inquiry was that some people wanted to put the whole Government on coffin. Some wanted to put individual Ministers into the coffin. Something like that has happened. Each one looks at it from his own angle and says: this is right and that is wrong, this man is responsible or that man is responsible.

Coming to the report itself, each one had a motive behind his argument. My friend, Shri Dange, attacked the whole policy of the Government. He wanted to make use of the coffin. Some people in the private sector wanted to see the end of the public sector, and so they wanted to make use of the coffin. There are individuals who are angry with Shri T. T. Krishnamachari, whose anger has degenerated into hatred. Because of that anger, they have said many things. Because of that, for them man has become man-eater. They wanted to make use of it to make a coffin for the Government.

This is the result of something wrong somewhere. Our Prime Minister also made some remarks about the whole thing; he has made it clear, not once but several times, that the whole approach has been vitiated. Therefore, he is feeling sorry that something was wrong. From the evidence that was made available to us, we find that there was no proper looking into the evidence. The Attorney-General, whom we sent to defend our case, became the prosecutor of the Finance Minister and, incidentally, of the Government.

Pandit K. C. Sharma (Hapur): That is not correct. He did justice.

Shri Thanu Pillai: It is not so. (*Interruptions.*)

Mr. Speaker: Order, order. Is there only one view of the report? There are several views expressed by various hon. Members. Why not allow other hon. Members to express their views? Why should they become impatient? The hon. Member feels that the Attorney-General acted as the prosecutor of the Finance Minister. That is his view. Other hon. Members may take another view (*Interruptions.*)

Shri Thanu Pillai: I would like to substantiate my statement. While referring to the private sector he mentioned about the back-door policy of nationalisation. It was a remark which was passed by him. Is it a remark which a representative of Government can pass about the Government? Therefore, I say, our defender became our prosecutor. He made strictures. He passed strictures on the policy of the Government.

Coming to the affair of Shri T. T. Krishnamachari, I feel he is more sinned against than sinning. I find that some remarks have been passed against him, which are not justified. He was not given an opportunity; a

[Shri Thanu Pillai]

counsel was not given to him. The Attorney-General, who represented the Government—Shri Krishnamachari was a part of the Government—would not defend him.

Shri Bimal Ghose: That is not true.

Mr. Speaker: The hon. Member has as much right as any other hon. member to say what he feels. This is his inference from the report.

Shri Bimal Ghose: This relates to the factual position.

Mr. Speaker: It is not as if only one hon. Member who knows everything.

Shri Thanu Pillai: On that day, Shri T. T. Krishnamachari was a part of the Government.

Mr. Speaker: If any hon. Member misinterprets another hon. Member's speech, it is open to him to get up and say that. I will allow hom to do it. He can do it by way of a personal explanation. In this case, there is a report before us. One hon. Member refers to it and gives his version. It is open to the other hon. Member, when he gets a chance, to say that the other hon. Member's reading is not correct. It is not a question of cross-examination here. So, except in the case of personal explanation, I request hon. Members not to interrupt the other's speech.

Shri Bimal Ghose: If on the basis of a report one hon. Member says something which is not factually correct, then . . .

Mr. Speaker: Who knows what is the fact? Even the existence of an individual may not be a fact to some. According to them, man may be a delusion.

Shri Thanu Pillai: I was saying that the Attoreny-General was representing Government. Therefore, he was representing Shri T. T. Krishnamachari. That was the view taken by the Presiding Officer, the Chairman of the Inquiry Commission. But the Attorney-General refused to appear for Shri T. T. Krishnamachari, because he has already indicted him. In the summing up he has held him responsible for the deal and has found fault with him.

Now, Shri T. T. Krishnamachari was dismissed by the Attorney-General even before his resignation was accepted by the Prime Minister. That is the position. He was not given an opportunity to explain his case before the tribunal, before the Chairman of the Inquiry Commission.

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I would like to know from the Government whether they will institute an inquiry into the whole case. Because, justice should not only be done but should appear to be done. If in the case of a man, who is responsible limb of our Government, the Finance Minister, who is being indicted, no opportunity is given to present his case and interested people are having access to the presiding judge, it is not healthy democracy.. (*Interruptions.*)

Shri Nath Pai: It is an aspersion on the judge. You may give your ruling on this

Mr. Speaker: So far as we are concerned, we are considering the report and examining it. There is nothing wrong in a member giving his opinion about the report. Any hon. Member can say that there was a misjudgement of facts and opportunities have not been given to some people Then, this is not mere usual evidence. There is extra judicial evidence. Therefore, it is quite relevant, because the report is under discussion. This has nothing to do with High Court Judges.

Shri Jaipal Singh: This is a very serious indictment. An accusation has been made against the Commission that some people have access to him, whereas others have no access to him.

***Expunged, as ordered by the Chair.

Shri Thanu Pillai: I did not say that.

Shri Jaipal Singh: I think the House will bear with me when I hold that the hon. Member said that certain people had access and others have no access. It is on record.

Mr. Speaker: The hon. Member has misunderstood him. He said what is expected of a judicial inquiry. Here, without hearing all the evidence. he allowed certain other persons to go and see him, and they had discussions with him privately. He has related not only what has happened in the court, but outside the court also. That is what he says. Let him go on

Shri Jaipal Singh: I think we are entitled to know whether he has said that or not. If I have misheard him, I am entitled to know what is in the Hansard. Let us hear it.

Mr. Speaker: Not now. It will be placed in the Library. The hon. Member may look into it.

Shri Thanu Pillai: My submission is that when this House discusses this report and gives weight to this report and places its faith in the report, all aspects which have gone to contribute to the drafting of the report have to be taken into consideration. Not that one aspect of it is suitable and accepted. The Prime Minister's amendment today has made it clear that we will accept it so far as it goes into these affairs. The points of reference are also there. There was a discussion whether constitutional responsibility is a matter of reference or not. All that has been discussed there and in that atmosphere which was not absolutely clear, something had happened. We have a doubt whether it has been coloured to that extent. Why should hon. Members quote this report and say, the Government is all wrong and so on? Why should I not be permitted to say that all is not well there and if our Government or the Prime Minister had to say something which was absolutely reasonable, absolutely perfect that things were not going on in a proper atmosphere, in a proper manner and to the extent of impropriety we cannot accept the responsibility that is the outcome of that; nothing more than that—why should there be disturbance?

My hon. friend Shri M. R. Masani quoted that Gandhiji said India should learn to say 'No' But, there was talk of the Plan and all that. There is too much of 'No' in the country today Down with this, down with that, down with that is the slogan everywhere. To live and prosper is not the slogan. 'No' is said by the vested interests to the public sector and all ridicule is placed on it. We are not belonging to the people's democracy nor belonging to the other blue democracy of the other side like the blue chips. We are trying in our own way to shape a future economy and a democracy in keeping with our standards, our ability, intelligence, culture and tradition. To that extent when we apply our minds to this also, let us not forget our high traditions that righteous anger should end there and not develop into hatred to disastrous ends.

Shri Jaipal Singh: Mr. Speaker, Sir, I have to disappoint the House. By my antecedents I am supposed to speak an opposition language but it is going to be different today.

I rise to support Shri Jawaharlal Nehru except for three minutes of his speech where I think he had a lapse. But for that lapse I feel I am in full accord with him. Because of these 180 seconds, I request him that he should accept the amendment that is standing in the names of Shri M. R. Masani, Shri Barrow and myself in list No. 4. With that condition, I have no hesitation whatever in supporting Shri Jawaharlal Nehru.

I do not do it with a view to being different. I feel that the decorum he endeavoured to introduce into this debate has been vitiated by the whole affair being converted into a political platform. I am not concerned with who has to be hanged, who has to be

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shot non-violently as Shri S. A. Dange suggested. I have heard of shooting, but I have never heard of non-violent shooting.

Shri S. A. Dange: That is the Congress way of shooting.

Shri Jaipal Singh: May be the Congress way. I do not know what Shri S. A. Dange's way of non-violent shooting is. I am yet to learn; I am willing to learn.

I think the very first thing we have to appreciate is, are we functioning as a Parliamentary democracy or not. If we are functioning as a Parliamentary democracy, the very first thing we have to accept is,—and once we accept it, we bury all other questions on the floor of the House—who is responsible. Somebody has to be responsible and in Parliamentary democracy, one person can be responsible and that is the Minister. We have to leave out everybody else. It will be for the Treasury Benches to take the other steps. Somebody has to be responsible.

Yesterday, we had a dismal spectacle here. The outgoing Minister tried to convince us and if there is one person in this House that he has not succeeded in convincing, that is myself.

An Hon. Member: There are many.

Shri Jaipal Singh: He knew nothing, he knew nothing: that is a position I am not prepared to accept.

I am not going into the antecedents either of the out-going Minister or of the officers concerned. One particular civil servant has been mentioned in most of the speeches that have emanated from this side. I do not think there is any hon. Member in this House who has known that particular civil servant longer than I have. We have been fellow students together, and if dirt has to be thrown on him, I can provide more dirt. But, that is not the issue. The issue is the question of responsibility. I do not think we have to worry very much about what is happening. I think what is more important to this country and the future of this country is, what is to happen hereafter in the light of what has been unearthed. I think that is of greater importance to us. We will get somewhere if we are serious about it. Not in trying to hang about half a dozen people; that cannot help.

I would willingly agree with my hon. friend Shri S. A. Dange that there should be a further probe into this particular matter, a probe into the Leader of the House, his daughter; of light blue chips. I am talking of his grand children, his son-in-law, Shri Morarji Desai, the whole lot and every Member of Parliament. Let there be a probe. What is wrong with that sort of thing? That attitude is all very well. But, as far as this particular judicial enquiry is concerned, where does it get us?

Some unfortunate statements have been made about Mr. Chagla himself. Mr. Chagla, I am proud of him. He is a fellow Oxonian. He has done a first class job. People have talked of light blue chips. I am talking of dark blue chips here now. He has done a first class job within the limitations of the terms of reference, and it was very wrong of Shri Jawaharlal Nehru to say what he did. Today he confessed he did not mean what he said. But the fact . .

Some Hon. Members: He is from Cambridge.

Shri Jaipal Singh: Light blues will talk like that. I am tendering advice to the light blues that it is not enough to make a confession later on. Language has to be understood in a particular fashion. A great deal of unfortunate feelings were generated by something which the hon. Leader of the House was honest enough to admit, he did not mean it that way. But, unfortunately, people have to understand language in the way they hear it. However, that is not the point.

I think what we have got to bear in mind is that we must adhere to the noble convention that has been set in the past of not attacking people who are not here to defend themselves. It is a very very necessary thing. It is a very healthy thing. I know those very Members who are sitting there, when they were sitting on this side, were cursing them black and blue. Today they are there because of these very people. I know there have been some bad characters in that. I do not dispute that. But, I like to see my friends occupy those Benches and see whether there is any change.

An Hon. Member: Let us try.

Shri Jaipal Singh: Yes. They have been tried. They have been honest enough to demand a probe into it.

An Hon. Member: Will you go that side?

Shri Jaipal Singh: It would be my turn one day. It may be your turn one day if you are honest about it. But, the fact is, you must stand by the permanent executive.

The whole issue is this, that the Minister is and cannot but be responsible for all the civil servants that are under his control. It is no good trying to run away from that, saying I do not know, I do not know.

An Hon. Member: He is absent.

Shri Jaipal Singh: That is the point I think once we have that very clear in mind, all this cheap attack that we are making on the civil servants will disappear.

We must talk with a sense of responsibility. I am not opposed to other further probes or to their hanging, dismissal or whatever else we like to call it, except that I cannot conceive of non-violent shooting—that I have not been able to understand. The point is this: how are we going to run the administration? Please do not take mean advantage of something that has been unearthed. It did not need unearthing. Everybody knew about it, and we have to thank Shri Feroze Gandhi for having brought it here, not only Shri Feroze Gandhi, but my fellow Jharkandi, Dr. Ram Subhag Singh, who initiated it. (*An hon. Member: We thought he was a Congressite*). He is from Jharkand. If people are ignorant about the geography of this country, I cannot help.

I mean it very seriously. The whole purpose of this debate will lose its meaning if we do not pinpoint the responsibility, whatever has happened on the Treasury Benches. They are responsible for everything, whether they knew about it or not. I think if we do that, then we need not go into this civil servant or that civil servant To my mind, that is very very important because your predecessor in that Chair had in the past again and again laid stress on this particular matter. I have to stress this because in the debate that I have been listening to today, again and again the same thing has been brought in in a very clever way. To my mind that is very unfortunate.

The amendment that stands in the names of two others and myself seeks to ask this House to let the Treasury Benches see reason in accepting the Chagla Report. It has been said by the Leader of the House that they were hustled into it. It sounds a very lame excuse I really do not know. It may perhaps be that they had other things to do may be bigger things, may be smaller things, may be things which did not matter at all to the country. At any rate, they were not able to devote enough time to this particular question. and when the thing was there before them, when there was pressure from within the Party itself and, of course, from this side—that can always be taken for granted—they were hustled into it. Something was done. I am not prepared to accept that sort of statement For the outgoing Finance Minister to say that he appointed this Commission and then subsequently to say that the terms of reference were not quite what they should have been, is something I cannot understand. Well, who is responsible?

Shri Jawaharlal Nehru: I do not think anybody has suggested that the terms of reference were wrong—not that I am aware of. What I ventured to say was that, normally speaking, a preliminary investigation would have been helpful to the Commission. It had nothing to do with the Commission's work Such a preliminary investigation, as was done in England, would have been helpful to the Commission and to others too. That was all that was said.

Shri Jaipal Singh: That is all right. But in this hustle, they forget about the preliminary investigation also. It is all right—something *in camera*, later on something in public, back to *in camera*, then in the Cabinet, 'complete camera'. Whatever the picture painted before us, the point is this: let us not seek, shelter behind something that has not happened. It can still happen. Government can still have that choice in another further probe into this matter and other matters. Make the terms of reference so comprehensive that this shortcoming will be completely absent

In conclusion, may I point out that I feel very disturbed that Government somehow or other refuse to learn from experience? That is my main worry, not only because of this Commission of Inquiry but because of other things also

You have been good enough in the past to permit me to speak on many debates, and on debates like that on DVC and others, I have again and again pointed out why certain things were happening because of the particular pattern that the present Government were pursuing In this particular case, we find a repetition of the same story, one man with a dual personality. In one case, he is the boss, in the other, he is the subordinate of the same boss I really do not understand how the administration can be carried on with any detachment Detachment is what is wanted.

We talk of autonomy. I have seen autonomy when it comes to the autonomous districts of Assam. We are seeing here the same type of autonomy. It is no autonomy at all. This inquiry and the evidence that has been tendered before this Commission, show it very very clearly that we do not even know the basic meaning of the word 'autonomy'. I concede that Government can never abdicate its supreme power and authority in the sense that policy has to be dictated. But what is this day to day interference about? Did we not find in the case of the DVC, the Secretary here in disagreement with the Chairman of the DVC and hence the holocaust? Did we not find it in other matters also?

So it is not merely a question of what has happened in this particular unfortunate incident I think Government must shake itself up and be brave about the future, that is to say, some overhauling has to take place There is a broad goal that we have set before ourselves That goal has to be achieved. Now, when incident after incident happens, whether it comes into the open light, as it has done in this particular instance, or whether we talk about it in the Lobby, as the Leader of the House mentioned this morning, or in the streets or in the cities or in the hills, if people talk about it, I think it is time Government did not turn a deaf ear to that, because it is not merely loose talk There is something that people expect Government to do when something is going wrong somewhere

It is no good the Leader of the House telling us that we are an irresponsible bunch on this side, that anything that we say has no foundation —those are the three minutes I have referred to earlier. I would request not only the revered Leader of the House but his colleagues on the other side also to realise that when we open our mouths, there are some of us who are as well-placed as they are in regard to knowledge. And I think the sooner—my hon. friend, the Chairman of the Public Accounts Committee stated and I hope that what he stated has gone home to the Treasury

Benches that side—that in matters of this sort we function not on party lines but as a whole House, the better for all. Every speech that I have heard from the other side has been on party lines. What is the good of accusing us that we are speaking on party lines when everybody on the other side is talking about it on party lines? Set an example to us. If we do not know what to do, for heaven's sake, set an example. What are you doing? Only yesterday there was a question here on this subject, and you yourself, Sir, said that you thought the Opposition was united. Where is the united voice on the other side? I raised this point even yesterday.

18 hrs.

I do not want to take any more time. All that I say is this, that we are all, like the Treasury Benches, very perturbed; and perhaps we are jubilant, on the other hand, that this has come to the surface, that there has been a judicial probe. It has shaken us up on this side, that side, everywhere in the country that we are not self-righteous, that there is something wrong, that we have to go ahead and look at things from a different angle, not from the angle of complacency that everything was all right. I am not prepared to accept what the Leader of the House says that if we compare our civil service, our democracy, ourselves, with the rest of the world, we are better than anybody else. I am not concerned with whether we are better. We should be the very best that we can be. Nothing is good enough for me except the very best.

Shri Khadilkar (Ahmednagar): Let me at the outset congratulate the congress friends Shri Feroze Gandhi and Dr. Ram Subhag Singh for focusing the attention of this House as well as the people at large on the administrative apparatus of the present Government. I have been watching the later developments and the proceedings of this enquiry from day to day, and now we know what action the Government proposes to take on it.

While watching all this, I am reminded of an old game which is very popular in our State among the children, where it is the skill for escaping responsibility that is tested, and ultimately if the responsibility is fixed on a child, he is supposed to be 'a culprit' who is made to pay the penalty.

In this whole process of the enquiry and investigation, we find after going through the report, that the truth is missing. The final responsibility for this deal has yet to be fixed, and all of us are trying to find out exactly where the responsibility lies.

Moreover, this has a vital significance to us all because the Life Insurance Corporation, along with the State Bank and the Reserve Bank, are probably the most important or basic financial institutions in the hands of the Government. If they are properly managed they can certainly help to build up the public sector and effectively control and discipline the private sector as well.

Mr. Speaker: The hon. Member may stop at this and may continue tomorrow.

The following are the selected substitute motions|amendments to the motion regarding the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India which indicated by the Members to be moved subject to their being otherwise admissible: **5, 8, 9, 12, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24.**

Shrimati Renu Chakravartty: One further amendment has been sent in just ten minutes ago jointly by Shri Dange, Shri Surendranath Dwivedy, Shri Khadilkar and Shri Siva Raj.

Mr. Speaker: I shall get it circulated tonight. That also will be treated as moved.

Shri Braj Raj Singh: I beg to move:

That for the original motion, the following be substituted, namely:—

> **"This House having considered the Report of the Commission of**

[**Shri Braj Raj Singh**]

Inquiry into the affairs of the Life Insurance Corporation of India, is of the opinion—

(a) that keeping in view the joint responsibility of the Cabinet, the whole cabinet should resign;

(b) that enquiries be instituted with regard to other autonomous corporations established recently; and

(c) that this House places on record the appreciation of the services of Shri M. C. Chagla."

Shri Vasudevan Nair (Thiruvella): I beg to move:

That for the original motion, the following be substituted, namely:—

> "This House having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, recommends that a permanent All Parties Parliamentary Committee to supervise the working of autonomous corporations and state undertakings be set up."

That for the original motion, the following be substituted, namely:—

> "This House having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, recommends that in view of the fact that the entire truth has not been revealed, an All Parties Parliamentary Committee be set up to further probe into the Life Insurance Corporation of India Mundhra deals and all allied and relevant matters."

Shri Ghosal (Uluberia): I beg to move:

That for the original motion, the following be substituted, namely:—

> "This House having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, while approving the findings of the Commission within the terms of reference submitted to the Commission for inquiry into the affairs of the Life Insurance Corporation is of the opinion that, as all the relevant facts pertaining to Mundhra deal have not come to light, there should be a further probe in the matter so as to bring the guilty men to book behind this deal."

Shri Siva Raj (Chingleput Reserved Sch. Castes): I beg to move:

That for the original motion, the following be substituted, namely:—

> "This House having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, accepts and adopts the Report."

Shri Jawaharlal Nehru: I beg to move:

That for the original motion, the following be substituted, namely:—

> "This House, having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, approves of the statement made on behalf of Government that:

(1) Government accept the Commission's findings to the effect that the transaction resulting in the purchase of shares of the six companies was not entered into in accordance with business principles and was also opposed to propriety on several grounds;

(2) Government propose to initiate appropriate proceedings, on the basis of the findings of the Commission, in respect of the officers responsible for putting through the transaction; and

(3) Government propose to examine carefully the principles recommended by the Commission for adoption by Government and the Corporation."

Shri Vajpayee (Balrampur): I beg

o move:

That for the original motion, the ollowing be substituted, namely:—

> **"This House having considered the Report of the Commission of Inquiry into the affairs of the Life Insurance Corporation of India, is of the opinion that as it has not been possible for the Commission to arrive at the whole truth and to clearly say that there was no trace of anything in the nature of bribery, corruption or personal dishonesty there should be a further, probe in the matter so as to ascertain the 'compelling reason, the motivating force' behind the deal and to bring the guilty men to book."**

Shri Surendranath Dwivedy: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

in lines 4 and 5 *for* "approves of the statement made on behalf of Government" *substitute* "is of opinion".

Shri Surendra Mahanty: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

in part (2),—

(i) *for* "appropriate" *substitute* "judicial"; and

(ii) *add* at the end—

> "also in respect of the Income-Tax Commissioner of Calcutta, for withdrawing order of attachment of the sale proceeds of the Mundhra-scrips, which had been issued earlier, and also in respect of the purchase of Jessops scrips, prior to June 24, 1957 by the Life Insurance Corporation; and"

Shri Jaipal Singh: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

for part (3), *substitute*—

> "but regrets that Government have failed to accept the principles recommended by the Commission for adoption by Government and the Corporation."

Shri Naushir Bharucha: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

add at the end—

"and particularly—

(a) the nature and extent of Ministerial responsibility including the extent of a Minister's responsibility for the actions of his officers;

(b) the approach and procedure generally to be adopted at such inquiries;

(c) relations between Government Ministers and automonous statutory Corporations;

(d) nature, character and cadre of services necessary for manning such autonomous Corporations; and

(e) principles and policies generally governing investments by Life Insurance Corporation and other autonomous statutory bodies."

Shri S. A. Dange: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

after part (3), *add*—

"and recommends—

(a) that in view of the fact that the entire truth has not been revealed, an All Parties Parliamentary Committee be set up to further probe into the Life Insurance Corporation of India Mundhra deals and all allied and relevant matters;

(b) that a permanent All Parties Parliamentary Committee to supervise the workings of autonomous corporations and state undertakings be set up; and

(c) that Messrs Jessop and Co. Ltd. be taken over by the Government and nationalised and effective Government control be established in all concerns

[Shri S. A. Dange]

in which the Life Insurance Corporation of India has invested substantial funds."

Shri Surendranath Dwivedy: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

after part (3), *add*—

> "and recommends that Government institute a further inquiry into all investments made by the Life Insurance Corporation since its inception."

Shri S. A. Dange: I beg to move:

That in the substitute motion moved by Shri Jawaharlal Nehru,—

after part (3), *add*—

"and recommends—

(a) that Government should institute a further inquiry into all investments made by the Life Insurance Corporation since its inception; and

(b) that a Standing Parliamentary Committee should be set up to supervise the workings of autonomous Corporations and State Undertakings."

18.05 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, the 20th February, 1958

DAILY DIGEST

[*Wednesday, 19th February, 1958*]

ORAL ANSWERS TO QUESTIONS — 1415—52

S Q No	*Subject*	COLUMNS
280	Shifting of Offices from Delhi	1415—19
281	D D T Factory, Delhi	1419-20
282	Trade with Sudan	1420—22
283	T B among Industrial Workers	1422—24
284	Foundry Forge Project	1424—26
285	Coal Gas Plant in Delhi	1426-27
288	Afro-Asian Conference	1427—31
289	Cement Distribution	1431—33
290	Religious Shrines in Pakistan	1433—38
291	Replantation of Tea	1438—40
293	Indo-Japanese Trade Agreement	1440—42
295	Pashmina Industry	1442—43
296	Export of Sola Hats	1443—44
297	Coir mats and Mattings	1445—46
298	Palm Gur	1447—48
314	Palm Gur	1448—50
299	Radio Station in Koraput	1450-51
301	Border Incidents	1451-52

WRITTEN ANSWERS TO QUESTIONS — 1452—91

S Q No	*Subject*	COLUMNS
286	Displaced Persons Colonies in Delhi	1452
292	Radio Station at Rajpur	1452—53
294	Delhi Shops and Establishment Act	1453
300	Central Board of Trustees of the Employees Provident Fund	1453—54
302	Gun Powder Factories	1454
303	Visa Office at Agartala	1454—55
304	Low Income Group Housing Scheme	1455
305	Cement Factory, Mirzapur	1456
306	Jute Mills	1456
307	Open General Licences	1456-57
308	Pakistani Troops on Assam Border	1457
309	Concessions to Displaced Persons	1457—58
310	Small Scale Industries	1458
311	Vijay Chowk	1458—59
312	Border Incident	1459
313	U N Map	1459—60
315	Industrial Hygiene Survey in Coal Mines	1460
316	Metric Weights and Measures	1460—61
317	Indians in Ceylon	1461
318	Indian Traveller held up at Karachi	1461—62
319	Khanna Market in Delhi	1463
320	Mines Act, 1952	1463
321	Trade Agreement between India and Italy	1463—64

U S Q No	*Subject*	COLUMNS
359	Visit of Foreign Dignatories	1464-65
360	Kashmir Issue	1465—66
361	Education of Workers	4166—67
362	Slum Clearance	1467—68
363	National Buildings Organisation	1468—70
364	Accommodation for Government Offices at Bombay	1470—71
365	Phosphorus	1471
366	Houses for Displaced Persons	1471—72
367	Sewing Machines	1472
368	Displaced Persons' Claims	1472—73
369	Roads in N E F A	1473
370	Industrial Units in U P	1474
371	Slum Clearance	1474
372	Employment Exchanges	1475—76
373	Handloom Industry	1477
374	Murder Committed by a Pakistani National	1477

WRITTEN ANSWERS TO QUESTIONS—*contd.*

U.S.Q. No.	*Subject*	COLUMNS
375	Diplomatic Pass-Ports	1477—78
376	Housing Schemes	1478—79
-77	Foreign Awards	1479
78	Ambar Charkha Programme	1579—80
379	Directorate of Employment Exchanges	1481
380	Silk Centres in Himachal Pradesh	1482
381	Minimum Wages for various Industries	1482—83
382	Registered Joint Stock Companies	1483
383	National Federation of Road Transport Workers of India	1483—84
384	Second Five Year Plan, Tripura	1484—85
385	Panels for Industries	1485—86
386	Committee on Heavy Earth Moving Equipment	1486—89
387	Housing in Punjab	1489—90
388	Displaced Persons in Madhya Pradesh	1490
389	Documentaries and Newsreels	1490—91
390	Onions	1491

PAPERS LAID ON THE TABLE 1491—92

The following papers were laid on the Table :

(1) A copy of the statement of cases in which lowest tenders have not been accepted by the India Store Department, London, during the half year ended the 31st December, 1957.

(2) A copy of the Annual Report of the Hindustan Antibiotics (Private) Ltd. along with the Audited Accounts for the year 1956-57 under sub-section (1) of Section 639 of the Companies Act, 1956.

COLUMNS

(3) A copy of Notification No. S.R.O. 26, dated the 4th January, 1958 under sub-section (3) of Section 641 of the Companies Act, 1956, making certain alterations in Part I of Schedule V of the Act.

MESSAGE FROM RAJYA SABHA 1492

Secretary reported a message from Rajya Sabha that at its sitting held on the 8th February 1958, Rajya Sabha had agreed without any amendment to the Requisitioning and Acquisiton of Immovable Property (Amendment) Bill, 1958, passed by Lok Sabha on the 11th February, 1958.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE 1

Shri Raghunath Singh called the attention of the Prime Minister to the Arrest of five Pakistani Saboteurs at Uri in Kashmir.

The Prime Minister (Shri Jawaharlal Nehru) made a statement in regard thereto

MOTION UNDER DISCUSSION

The Prime Minister (Shri Jawaharlal Nehru) moved the motion *re*. Report of the Commission of Inquiry into the affairs of Life Insurance Corporation. The discussion was not concluded.

AGENDA FOR 20TH FEBRUARY, 1958.

Further discussion on the motion *re*. Report of the Commission of Inquiry into the affairs of Life Insurance Corporation. Further discussion on the Supplementary Demands for Grants in respect of the Budget (General) for 1957-58.